THE CHINA WEEKLY REVIEW

密勒氏評論報

A Weekly Newspaper Established In 1917

September 27, 1947

CHINA'S AMERICA POLICY

AN EDITORIAL

No Reds In Dairen

Anna Louise Strong

America: The Uneasy Victor

Philip Jaffe

Corruption & Nepotism

C. Y. W. Meng

THE POSTWAR WORLD

AN EDITORIAL

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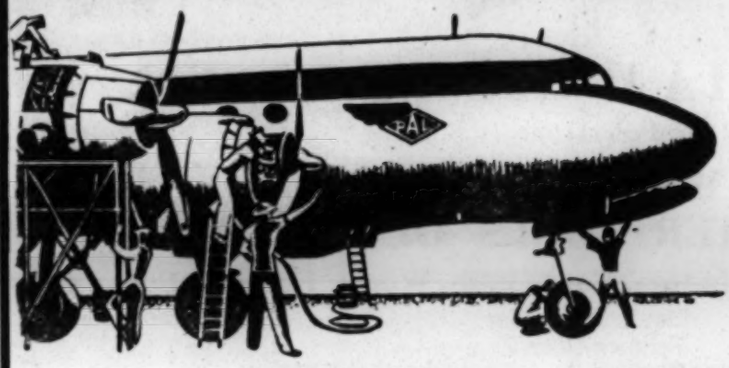

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LETTERS From The People

Comments from readers on current topics are cordially invited; their opinions, however, do not necessarily represent the views of The China Weekly Review.

Perpetuam Mobile

To The Editor:

I chanced to read a news item under the caption of "So Many Rovers and Beggars! Seventy Arrested at One Time!" in the *Ta Zong Wan Pao* of Sept. 16, 1947, and felt very interested in it. The item runs as follows:

"Recently, there have appeared a lot of rovers and beggars along the streets, stopping the passersby and begging in a peremptory manner. The Whampoo Police Bureau has been ordered to seize those people along the street this morning. About 70 were captured, those of whom could be educated were sent to the Relief House on Tung Chow Road in Shanghai, the others were delivered by transportation, to the remote areas outside the city."

From the tone of the news, this action seems to be very satisfactory to both those who gave the order and those who carried out the order, as if from now on, the city will look cleaner and nicer. It would have been a wonderful task if these people were nothing but deadwood or stones. But, unfortunately, they are also men of blood; they want to eat as the city people do and they have legs. When hunger stings their stomach to such an extent, their legs will move them back to the crowded streets in spite of the fact that they may be seized again. By that time, maybe, more ragged rovers will appear in the grand, international city; is the Police Bureau going to catch them ceaselessly?

S. W.

Shanghai,
September 21, 1947.

Vatican & Reds

To The Editor:

Your interesting review of "Wartime Correspondence Between President Roosevelt and Pope Pius XII" contains a couple of inaccuracies. Pope Pius XII condemned Communism in a special allocution in 1924, but the Encyclical to which you refer was not in 1922, but 1937, and the same week he published another Encyclical condemning National Socialism. The article in *Osservatore Romano*, published not last month, but in June if I'm not mistaken, caused considerable comment and some alarm in quarters which apparently had expected to use the Vatican as a spearhead against Russia. The *New York Times* in mid-June carried a clarification from the *Osservatore* itself. "The suggestions of a rapprochement between Moscow and Washington do not mean that the Vatican is attempting to appease the Soviet. Ideologically the Vatican's position is unchanged, nor will it ever change, since atheist Communism is antithetic to the Catholic doctrine. However, this stand does not conflict with the Vatican's desire to do everything in its power to bring about harmony among nations, especially when a lack of this harmony may eventually lead to armed conflict—with consequent ruin for all, whether victor, vanquished or neutral." The article was a discussion of ways and means to avert another world conflict by suggesting a practical working agree-

THE CHINA WEEKLY REVIEW

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(Editor & Publisher, 1918-1947)

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ment between the U.S., and the Soviet. One suggestion was that the Soviet could improve the international situation by confining Bolshevism within its national borders. This was a hint that Moscow should stop aggressive expansion. The Vatican favors any plan which will help the Western democratic way of life from being discredited by the anti-Christian, anti-democratic Reds.

WESTERNER.

Shanghai,
September 20, 1947.

Explanation

To The Editor:

In reading your "Anti-Foreignism Again," (13 September), I was distressed to find certain inaccuracies reflecting discredit on both the American Navy and the Army-Navy YMCA.

First of all, the constable stationed in front of that YMCA is a municipal policeman receiving his wages from the "Y"—as is the case with many constables employed as gatemen by companies in Shanghai.

The Army-Navy YMCA is not in any sense a function of the armed forces of the United States, nor are its policies in any way controlled by the military. However, except for the ground floor restaurant, the facilities of the "Y" are open only to American servicemen; or by invitation to servicemen of other countries. May I state my opinion here that the "Y" has done a most outstanding job in the varied and wholesome entertainment it has furnished our servicemen in Shanghai.

Szechuen Road near the "Y" is the meeting ground of pimps, vest pocket merchants, traffickers in U.S. currency, and other lawless elements who congregate where American sailors and soldiers spend their liberty. These people often try to follow my men into the restaurant there to solicit at the very luncheon tables. Similar groups may always be found near Broadway Mansions, and have on several occasions insulted and even manhandled wives of American servicemen. It may well be that the presence of these loiterers has forced the Army-Navy YMCA to hire a constable to clear the doors.

I hope that these facts will enable you in the next issue to clarify your statements.

E. W. IRISH,
Captain, U.S. Navy,
Commander, Naval Port Facilities.

Shanghai,
September 16, 1947.

(The foregoing letter is printed in keeping with the REVIEW'S policy of giving space to all sides of any question or controversy. However, publication of this letter does not constitute an endorsement by the editor of any of the opinions set forth by the writer.—EDITOR.)

Comment From NY

To The Editor:

I find the *Review* very good by and large. Supplemented by Durdin, Rand and Lieberman one gets as good a picture of China as of any other place in the world—not that most people here really care very much. There remains a fundamental lack of interest in the Far East, which has sporadic shots in the arm via a Wedemeyer statement or the like, but in general, the eyes of the public, if they are not devoted almost to constant surveillance of the American scene (prices, baseball et al), are centered on Europe and the Marshall plan, or on Palestine. Japan gets a better press than China, of course, and the Indonesian thing was frontpaged for weeks, but that was mostly of battle reports. One never sees

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anything about Indo-China, except a statement from Quai d'Orsay. The local Vietnam folk are having an independence celebration here on September 22!

I thought Caroline Cooley's piece a while back the best job on Indo-China in a long time, fair and complete, with the right conclusions. Also, I find C. Y. W. Meng's pieces excellent, and he is regarded here as a fine, liberal spokesman. The letter columns are also widely favored by readers here, as near as I can judge.

The tragedy of American thinking on China remains, of course, the confusion arising out of the greater Soviet-American conflict, the any-port-in-a-storm line, even the KMT? The Wedemeyer statement shocked many, but we also had a Truman statement (two of them) and a Marshall statement. It's doubtful that Washington has any more of a China policy now than ever, and it's my guess that we will just go sliding along, extending additonal aid for a little more window dressing. This time, probably, we will see that the money is more wisely spent, but that's all.

I do not see us making a final effort to force reform that would count, bringing into the Government such men as Marshal Li and the Democratic League leaders. The unhappiest aspect to me is the bankruptcy of liberal thinking here in the U.S. It's still a question of black and white, either you're for or against Communism, and the China specialists for such publications as the Social Democratic New Leader are the Mary Knights, the Kohlbergs and the Fitchs, literally.

B. S.

New York, U.S.A.,
September 10, 1947.

Blackmail?

To The Editor:

The newspapers say that Liu Po-cheng, one of the communist commanders, has operated successfully not only in Honan but also in Anhwei; moreover, his troops are now threatening our government capital, Nanking. From Honolulu, reports say, that General Wedemeyer will be back in Washington and will soon submit a report or a plan to his boss, President Truman; apparently it will decide the U.S. Far Eastern policy, especially U.S. policy toward China. Just at that moment, we once again hear the "Lion's Roar" of our No. 2 leader, Vice-President Dr. Sun Fo. Counting from his first "blackmail" (quoted from the *Observer*) speech directed to the United States, about three months have elapsed. Again, he is singing the old song. Again, only one word can describe it: blackmail! Inside it, however, we can detect how the battle is going on and what a critical plight has overtaken the KMT. Even the vice-president has to deliver such anxious statements with threats that China may turn from right to left. Not long ago, the son of the Father of our country was supposed to be one of the handful of progressive and liberal KMT leaders; now, what a pity, he is just one of the rightists. China is an independent nation (at least nominally), so how can we have no independent and self-determined foreign policy supported by all the people? Dr. Sun Fo's statement may be beneficial to the Kuomintang to which he belongs, but we, the Chinese lao pai hsing are ashamed and cannot face the world. The United Nations organization is now in session, and I wonder what other nations will think of China's opinions.

We beg our politicians to take the trouble to consider a minute the poor Chinese people and express themselves a little more scrupulously. One should be responsible for every word one expresses. The Chinese people are not a basket of gifts which one can take and sell easily at one's will. Dr. Sun Fo's words simply cause the American and Russians to laugh. We should be both pro U.S. and U.S.S.R. so as to arrive at the one world which was our Father's paramount idea, and only the Chinese people can decide their own future.

EVER HIGH YANG.

Hangchow, Chekiang,
September 18, 1947.

Two Cables

To The Editor:

The following are telegrams to General Wedemeyer after his mission to China from the Chinese Christian General, Feng Yu-hsiang, and the Vice President of the Chinese Democratic Constitutionalist Party, Lee Dai-Ming, respectively. The Chinese translation of these telegrams were published in our newspaper. We are circulating them for your reference or publication.

"General Wedemeyer, Honolulu,

"I congratulate you for revealing the corruption and inability of the Chinese Government which factual situation our Chinese people want to express. But if such truth is told by us, we will disappear or be buried alive. Hence I congratulate you on the fact that you are not Chinese but an American.

GEN. FENG YU-HSIANG,
San Francisco, Sept. 7, 1947."

• • •

"General Wedemeyer, Honolulu,

"We agree with your farewell statement on China. Regarding Premier Changchun's interview with *United Press* stating that China will not alter her domestic or foreign policy as a result of your mission, it is an evidence that the Kuomintang Government do not repent on their past mistakes. The Kuomintang policy is politically one party's exclusive control, economically monopoly by a privileged few, socially terrorism by persecutions of their Gestapo, diplomatically camouflaging the real issues and promoting world war. Hence, America should understand three points. First, assist China by considering the interests of the whole Chinese people instead of that of the Kuomintang Government. Second, help the Chinese people, especially encouraging the democratic parties to unite, to effect the needed political reforms in the democratization of the government by forcing the Kuomintang Government to give up its dictatorial powers. Third, basing on Truman's address to the Brazilian Congress, that America will support the UN with all her resources, in case the Chinese Civil War cannot be ended by itself, America should ask the UN to mediate or arbitrate with the Kuomintang and Communist participants.

DAI-MING LEE,
San Francisco, Sept. 5, 1947"

THE CHINESE WORLD.

San Francisco, U.S.A.
September 10, 1947.

Fellow Traveller?

To The Editor:

Notice that our subscription to the *China Weekly Review* expired has been received. We are not renewing our subscription

I appreciate your desire to stimulate changes in the right direction in China, but have come to feel the lack of poise and a very painful omission of what seems to me sound leadership in editorials; for one example, the editorial on Mrs. Fitch's "Blunder Out of China." I read her article after having read White &

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Jacoby's book, "Thunder Out of China." It seemed to me that Teddy White's work was only understandable in the light of some of the statements in his preface. His belief that progress in human rights is only obtainable through war is doubtless genuine, but certainly questionable. His postulation that Gandhi had missed "the opportunity of 1,000 years" when he failed to call for a bloody revolution in India during the war because otherwise India would never be free, is on a par with many of his reactions to conditions in China. It seemed to me Mrs. Fitch's reply was thoroughly unsatisfactory, highly partisan, highly emotional; but I find your attack on her article equally emotional and partisan.

It is certainly right not to accept bad situations without endeavoring to correct them. It is just as important to have one's efforts based on wisdom. I have the feeling the *China Weekly* has become a fellow traveler for the Communist movement. I would be interested in hearing from you should you wish to write.

P. F. G.

Brooklyn 3, New York, U.S.A.,
September 11, 1947.

Of Scanty Income---V

To The Editor:

Since the end of the war I have been forced to become a poor worker in a certain cotton mill. But I did not forget to study. The *Review* became my favorite book because of its independent editorials and I would like to read it forever.

My subscription will be ended this month, but as soon as I had saved CNC$-130,000 from my wages (I have to work a whole week for this amount) I found that the price of the *Review* was already adjusted. Now the price is CNC$150,000 for half a year. Although CNC$20,000 is a very small amount to those who are rich, yet I have to work for almost 12 hours to earn that sum.

Dear Editor, will you kindly decrease the rate by CNC$20,000?

S. K. TAI.

Wuhu, Anhwei,
September 18, 1947.

(The CNC$20,000 will be charged against the balance of that account to which our more munificent readers have at intervals contributed.—EDITOR.)

Less Idealism

To The Editor:

Ever High Yang's letter which appeared in the September 13 issue of the *Review* is a lucid as well as patriotic piece of writing. It is idealistic and philosophical and scholarly. There are two sides to every problem according to the side that one looks at. A sugar tongued man thinks everybody should believe his words.

Yang thinks foreigners do not know of China's corruption and wrongdoings until the writers of Letters From The People inform them. We should not let foreigners know of any evil in China if we are patriotic. Accordingly, our vernacular papers should not expose social or educational evils and Government corruption for they may be considered "traitors." Yang's point of view is based on patriotism!

From reading foreign papers we learn of the "awful" things in foreign countries and know little of their good. When a husband and wife throw dishes at each other, or go to the divorce court, that is news. While they live in harmony, there is no news. So foreign editors are unpatriotic for they print news on domestic evils and disgrace their respective countries.

General Wedemeyer's departing statement will do China much good. Given a chance, no Chinese is big enough or bold enough to express such criticism of corruption and inefficiency within the Government in the face of top ranking officials as the General did. It is a great blessing from God. No matter what an individual thinks, China will benefit by the General's visit, irrespective of the chances of receiving a loan.

The giving of economic aid to others without any sort of guaranty sounds like building a castle in the air. No one can promise to pour money into a bottomless pit unconditionally; unlike charity, economic aid should be mutually beneficial. When a business concern is planning an extension or is in need of funds it must try to borrow on or mortgage its assets under certain conditions. As soon as the loan is fully refunded, the concern in question is on the road to prosperity.

Where is the shame in contracting a foreign loan to aid reconstruction under certain conditions? There should be none, unless we have no confidence in our aims and future success. China needs more practical businessmen and economists, less idealists and philosophers!

LEE YEE-YUEN.

Shanghai,
September 16, 1947.

Ningpo Not So Far

To The Editor:

It is amusing to peruse an anecdote appearing in the *Ta Kung Pao* recently. A Chinese middle aged lady called on Mayor Wu the other day. "Do you know me?" asked the Mayor. "No," replied the lady. "Then why do you come to me for money that I don't owe you?"

They endeavored to continue the conversation, but the language difficulty

"Via CGRA

"History is made day by day, every day at all hours. Its greatness does not lie ever in the will to make the past live forever, but, on the contrary, in the aptitude to transform the past into an active present and to lay firmly upon its premises a better and more solid future."

—*Miguel Aleman*

•

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stymied them—the lady spoke in Ningpo brogue and the Mayor in Peking dialect. It transpired that the lady had lost some money and wanted the Mayor to find out all about the phoney transaction.

This story, whether true or not, indicated that Shanghai is leading the way to democracy, when a plain lao pai hsing may enact "a dog may look at a king."

"She is out of her mind," commented the *Ta Kung Pao*. But we would rather say "She is cutting through red tape."

CHI TU.

Shanghai,
September 21, 1947.

Textbook

To The Editor:

I was born of a very poor family and have earned my own school expenses since boyhood. Now I am studying in F.M.S. In my spare time I have read the *Review* and have found it so critically written I could not but admire it.

This term, my English teacher adopted the *Review* as our important supplementary reading and told us to order it every month. Being very poor, I have no money to order it. Now, I cannot but request you, kind editor, to send me the last three months' issues of the *Review*. If you cannot help me the English course will be lost to me.

LI LU CHANG.

Foochow, Fukien,
September 13, 1947.

Self Support

To The Editor:

The situation in China today has come to its worst; needless to say that the leaders of the present Government should be responsible for that. The past two years of experience of the Civil War should have told them that their present policy is a failure and their insistence on doing as before would simply cause their Government to collapse. The Civil War has made thousands homeless; the heavy taxes have burdened thousands to death. If the Government is really one for the benefit of the people as it always claims, it should know the will of the majority is a powerful one.

With such a Government, "no other country is willing to put our house in order at its expense," not to mention attempts to fish in muddy waters.

For China's future prosperity, we Chinese, of course, earnestly welcome any foreign investment and technical experts; but if the Civil War were substantially ended, we could and ought to help ourselves to exploit our rich resources, improve communications, agriculture, etc. Only self support is reliable.

HSU CHIEN KUO.

Kweilin, Kwangsi,
September 18, 1947.

Useful Future

To The Editor:

We are informed by the Ministry of National Defense that the Central Government is determined to practise collective military training of students graduating from senior middle schools next year. This was first proposed several years ago but due to strong opposition it was never put into effect. Now the Kuopanpu informs us that it will be practised and all graduating students feel frightened.

There is every reason why we should oppose this action. We enter school to gain knowledge and prepare for a useful future, but now the Central Government wants us to be soldiers and train for three years.

In this atomic age, education is above all and the collective training is a waste of time and money. On behalf of a great majority of students I state that I would prefer not to fight and die in this Civil War.

CHANG HUAI-YU.

Chungking, Szechuen,
September 11, 1947.

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The Postwar World

IN THIS issue the *Review* presents the first of three instalments of Philip Jaffe's article entitled: America: The Uneasy Victor. This article by Mr. Jaffe appeared in the final number of *Amerasia* (dated July, 1947), following the decision of its editors to devote their energies to a broader scope of research in the field of Pacific relations. After 11 years of publication dedicated to "arousing and clarifying American public opinion on the Far Eastern situation," the editors of *Amerasia* will now prepare thorough and comprehensive studies of key current issues, as well as historical studies of various areas in Asia.

As a fitting sequel to the publication of *Amerasia*, Editor Jaffe has written an analysis of the Truman Doctrine and its opponents — the issue foremost in the minds of men today. Around the Truman Doctrine — and the Marshall Plan, which is interpreted by Owen Lattimore as being the second phase of the doctrine — center discussions both in international and domestic debates. It is therefore extremely vital to have a clear understanding of what the Truman Doctrine and the Marshall Plan are, the forces behind them, and the forces against them. This is the first reason for our reprinting—with Philip Jaffe's kind permission—of America: The Uneasy Victor.

The second reason is that the editors of this magazine believe that Jaffe's article is an example of lucid thinking and even more lucid exposition of so complicated a problem as current American foreign policy. To our knowledge, it is the first attempt to analyze the doctrine and the plan exhaustively and set it down on paper in terms which do not repel and discourage the average reader. One may, or may not agree, with some of the conclusions arrived at by the author. But it certainly cannot be denied that the article as a whole clarifies many an obscure point in international developments otherwise befogged in debate by emotion and invective.

* * *

COMMENCING with the origin of the Truman Doctrine, Jaffe declares that following World War II only two countries—the United States and Britain—were left with extensive world interests. "In the political sphere, the 'uneasy victors' have joined forces in opposition to the rising people's movements in all parts of the world under the false and misleading banner of an 'anti-communist' crusade. In the economic sphere, on the other hand, a very real 'bloodless' war is being waged between the two great capitalist powers as each endeavors to solve its new world problems."

With this premise, Jaffe goes on to outline the rivalry between the two great powers "which has gone largely unnoted in the American press, which has chosen to publicize American expansion in terms that make it appear primarily anti-Soviet in character." Serious inroads into the traditional sphere of British trade and influence were already made by American wealth and power prior to President Truman's March 12, 1947, Greek and Turkish aid speech, and this process goes on unabated.

Outlining the aspects of the American Century, Jaffe points to the fact that while "the countries of Europe and Asia, including Britain herself, are in various stages of social revolution," America, aside from Canada, is the only major world power that is practising anything like orthodox capitalism. This fact is of vital importance, whether this social revolution leads from feudalism to early capitalism, or from capitalism to some form of socialized economy, as is the case in Europe. With regard to this social revolution the author holds that there is no basis "for a policy of bribing other nations to accept our economic methods with dollar bills dangling from guns." There is violent opposition to this American insistence in most countries and Great Britain above all. Jaffe contends that unless the Roosevelt program of "uprooting of feudal and fascist elements in Europe and Asia, the retirement of old ruling classes, the complete independence of colonial people, etc." is not adhered to, American foreign policy is doomed to failure.

* * *

AN interesting part of Jaffe's analysis is his study of the opposition to the Truman Doctrine which comes from two diametrically opposed camps in American politics: the American Centurions, and the "pseudo-left." The first group, whose most articulate spokesman Jaffe names as Henry Luce with his *Time*, *Life* and *Fortune*, clamor for "unilateral American intervention in the image of what its members consider the American pattern of society." The pseudo-leftists, believing that American capitalism and Soviet socialism cannot exist peaceably side by side, place on their agenda the immediate struggle for a Socialist America. "Sitting at a safe distance they welcome the prospect of civil war in China, India and Europe, as a triumph for the cause of world revolution, without regard for the millions of Chinese, Indian and European lives that would be sacrificed in the process."

The only way out of this superficial dilemma is a return to the Roosevelt program of peace that is advantageous to the capitalist United States and to the socialist Soviet Union as well as other

lesser powers of various types and stages of development.

* * *

AMERICAN-SOVIET cooperation is fully possible, Jaffe says. "In all the heat and smoke engendered by the current propaganda war between the United States and the Soviet Union, this truth has been forgotten. The America of Roosevelt was not only capitalist, but America Century minded as well, and that did not impair our ability to cooperate with the Soviet Union and to maintain a progressive approach to the rest of the world. An unbiased study of international relations during the past 30 years will reveal that not only can two or more divergent social systems live together in peace, but that the Soviet Union was and is sincere in its acceptance of this truth as well as in its belief that cooperation is both desirable and possible."

In support of this argument, Jaffe cites Soviet Professor I. Lemin, and former State Secretary James F. Byrnes, who is known to be opposed to the Truman Doctrine.

The author then proceeds to examine two aspects of expansion: American and Soviet styles. He gives the conditions for peaceful American expansion, which must proceed merely because American *must* produce for the world. But for this American monopoly capital must be anti-colonial, not for moral, but for material reasons, as it was in Roosevelt's time. It is impossible to sell goods to impoverished economies and people, and the prolonged existence of a prosperous America is inconceivable without such world wide trade. By supporting and even forcing on the peoples of the world antiquated and anti-popular regimes, the United States is harming herself. Only when American policy begins to respect—as it did in Roosevelt's day—systems other than our own, will this peaceful expansion be possible. A democratic foreign policy is the best guaranty of the arrival of the American Century, Jaffe holds.

* * *

THE MAJOR part of his article Jaffe devotes to an examination of the workings of the Truman Doctrine and a revival of the isolationists. The Truman doctrine of itself does not necessarily lead to militarism, he says, but it gives ground to the resurgence of the isolationists who would thrive only on a program of militarism. These isolationists are only opposed to an *expensive* war; they don't mind a speedy 48-hour victory which they think the atom bomb provides.

An isolationist American would tend to resort to a war economy to preserve its existence, and this would in turn compel an impoverished world to join in the armaments race. There is hope, Jaffe says, to avert this eventuality, because the Truman Doctrine is not a fixed policy, but only a hasty improvisation. But it may lead to two alternatives. One of these is the redirecting of American foreign policy along a democratic course, which in turn will allow American capitalism to enjoy a tremendous boom in the course of which the monopolies and trusts will garner tremendous profits.

As things stand today. American foreign policy, as expressed in the Truman Doctrine and the Marshall Plan, is beneficial neither to the American people, nor to the people of the rest of the world.

Now It Can Be Told

"AFTER the Americans raised the Communist tiger in China, they ought to have a certain responsibility in killing the tiger after the cub has grown up. The American words of advice are no longer sufficient. Real performance is necessary, if they want to help China."—*Dr. Lin Yu Tang, Chinese philosopher and writer, commenting on the Wedemeyer Statement.*

The Truman Administration should be told where it gets off with its consistent pro-Communist policies!

China's America Policy

MUCH has been written about America's China policy, but very little comment about China's America Policy is heard these days. This, of course, is understandable in that from the point of view of world relations and what effects them, America's policy toward China is of more immediate importance. Also, for the past several years China's policy toward the United States has mainly been one of reaction to America's policy and as such has always followed and been moulded by American statements and acts.

While the same situation is still true today to a certain extent, events of the last few weeks, culminating in Dr. Sun Fo's speech of warning to the United States, make it more important for both Americans and Chinese to observe closely the direction of Chinese foreign policy. A detailed study of China's policy toward America will have to wait for time and the historian, but it is of interest to analyze, even if superficially, events of the last three or four months.

China's reaction to the announcement of the Truman Doctrine was swift and positive. She charged Outer Mongolia with violations of the Sinkiang border. Further, it was alleged, planes closely resembling Soviet Russian ones, had participated in a raid across the border into Chinese territory. A great hullabaloo was raised in the Chinese press and notes of protest were dispatched. The next move followed shortly thereafter when Nanking charged that thousands of Korean Communist troops, trained and equipped by a "certain power" in North Korea were fighting with the Chinese Communists in Manchuria. Shortly thereafter it was "reliably reported" that about 30 Soviet Russian military advisers had been observed at the battle of Szepingkai where they were actively directing Chinese Communist strategy.

If application of the Truman Doctrine to China was expected to follow these essentially diplomatic maneuvers, the framers must have been disappointed. However, one more attempt to "qualify" was made. This was the startling speech of Dr. Sun Fo in which he charged that the Russians were interfering in China's internal affairs. Apparently the framers of policy felt that this was certain to wake America up to the dangers of Communism in China. Government papers took full advantage of the occasion, pointing out at length that since Dr. Sun, the only son

of Sun Yat-sen, was known to be kindly disposed toward Russia, no one could accuse him of being anti-Soviet and therefore it must stand to reason that his sudden charges against the Russians were true.

Despite all this hard work, Washington continued to concentrate upon Europe and gave no indications of initiating a more positive policy toward China. Then, at last, it was announced that General Wedemeyer, former commander of U.S. forces in China, was being sent to China and Korea on a fact finding mission. For the moment it appeared that China's active diplomatic program of lining herself alongside Greece and Turkey was about to pay off. Critics, as well as proponents, sized up the mission as merely the first step in a new policy of positive aid to the Kuomintang. Wedemeyer, to most people's surprise, though, actually came on a fact finding trip and found facts not to his liking, facts which argued for drastic reforms within the National Government. Facts which also argued against automatically lumping China in the same category as Greece and Turkey and which, therefore, also argued against the granting of any further immediate aid to the present National Government.

* * *

IT WAS at this point that a sharp shift in China's foreign policy as regards America was discernible. While it had already taken on more of a positive character after the announcement of the Truman Doctrine, it still had followed U.S. policy closely and every effort had been made not to offend America in any way.

With the completion of the Wedemeyer Mission and the indication, based on his parting public statement, that reform would have to be the price for any further help, China's policy shifted from one of wheedling and currying friendship to one of threats. First step in implementing this new line was the announcement some two weeks ago that China viewed with concern America's policy in Japan. For the past two years there has been no better example of how bankrupt the National Government was and how it depended upon America than its policy of seconding American actions in Japan although such actions clearly were injurious to China's national interests.

A further indication of China's threat to blackmail America into returning to a policy of blind support of the National Government was the announcement that China would not participate in the proposed conference upon the Japanese peace treaty. As China well knew, refusal on her part meant the failure of the American plan. The United States, after two years of governing defeated Japan, has found it advisable to expedite the signing of a peace treaty. Since the United States, in direct violation of the spirit of the Potsdam Agreement, has virtually excluded the British Empire, China and Russia from their fair share in the administration of Japan, America well knows that she will meet with nothing but opposition from her "partners" in calling a preliminary conference—also in violation of Potsdam's spirit — to discuss a Japanese peace treaty. However, America had shrewdly figured that only Russia would stoutly oppose this plan since Great Britain, already mortgaged to America and hopelessly involved in America's vast politico-economic expansion plans, could not seriously object. China, which until now has not disagreed with U.S. policy, was also counted upon to support America. However, with Russia balking, with Britain an unwilling participant and with China now in direct opposition, it is well nigh impossible for America to proceed.

The capstone to the new series of diplomatic moves was again a speech by Dr. Sun Fo, who, in direct contrast to his speech of barely three months ago in which he accused Russia of being unfriendly and of meddling in China's internal affairs, announced that since America was so intent upon pursuing a policy which did not benefit China, China might have to look elsewhere for a new friend, perhaps to Russia.

* * *

THUS we have two clearly defined—and contradictory—trends in China's foreign policy toward America. While neither, to our mind, is particularly wise, the second, although perhaps based on not altogether commendable motives, may have the advantage of making America pause and reflect for a moment upon her rapidly developing Truman-Marshall plan for controlling the world.

What the results of these two policies will be is difficult to determine. From China's point of view, both are directed toward the same aim—more U.S. aid, preferably in the form of outright grants of large sums of U.S. dollars. At this point the earlier attempt to get on the anti-Communist bandwagon and participate in the largesse of the Truman Doctrine for halting Communism seems to have failed. The fact that the new policy of threatening has been adopted would seem to indicate that China also thinks the first policy was unsuccessful. Today, probably only Truman and Marshall know what the U.S. reaction to China's threat to "get friendly" with Russia will be. Perhaps they don't know yet. The rest of us can only wait. However, while we wait, it is imperative for us to follow the course of events, both past and current, which have contributed to the present situation. It is only through interesting ourselves in these matters and making our views known from time to time that we little people can hope to force our opinions upon those at the top, both in China and America, who, by decisions reached behind closed doors, commit us to courses of action, many of which are obviously not to our best interests.

Confucius Says . . . .

LOOKING forward to new reforms, the Kuomintang manifesto issued recently could not overcome the temptation of quoting a 2,000-year old Chinese proverb: "When handling public affairs one need not say too much but should try one's best under the circumstances."

On the whole, it is interesting to know what Confucius would have said under the circumstances.

Watch The Japs---III

IN the volume of General MacArthur's beautiful rhetoric on the progress of Japan from aggression to peace, one vital issue has been completely ignored. It may have been ignored be-

cause SCAP itself has nothing to fear from this aspect of Japanese resurgence. Stressing the spread of Christianity and democracy in Japan may be a good way not to bring up the issue at all, but as far as the Chinese are concerned such handling of the matter will not do at all.

The issue here in question is the threat of a renascent Japanese economy to weakened China, the mere existence of this potentially aggressive and expansionist economy side by side with this poorly industrialized country. Chinese public opinion has come to realize this menace, and while it is impossible to argue with General MacArthur on just to what extent the Japanese have been imbued with Christian and democratic principles, Japanese economic rebirth is becoming the target of severe and bitter Chinese criticism.

It is not sufficient to mention the *Ta Kung Pao* which has always been in the forefront of the campaign for curbing Japanese "peacetime" production and expansion of foreign trade. Recently, magazines and dailies have devoted considerable space to highly scholarly analyses of what this new Japanese expansionism means to China and her future.

One of the more profound surveys of this problem was recently presented in the *Economic Weekly* by Chang Ching-teh. The article was entitled: "Why the United States Insists on Reopening Japan to Foreign Trade."

Starting out with the fact that Japanese imports in the first 15 months of the occupation came mainly from the United States (94 percent, as compared with 24 in prewar years), the author points to the nature of these imports which constituted mainly raw cotton, foodstuffs and fertilizer. The United States in that initial period absorbed 69 percent of total imports from Japan, consisting of raw silk, silk goods and artificial silk. While Japanese imports from the United States remained practically unchanged throughout the occupation, the nature of its exports altered, and shipments of Japanese silk fell to only nine percent, first place having been garnered by cotton goods, with 33 percent of total exports.

Thus, while the United States continued to ship to Japan increasing quantities of raw cotton, it could not continue to absorb Japanese silk products which met stiff resistance on the American market from nylon. Japanese textile products are also not much use to American buyers, and the question therefore arose as to how to divert Japanese exports to other markets. This necessitated the urgent reopening of Japanese trade. The question of curtailing of American exports of raw cotton to Japan was not even considered—one had to bear in mind the behavior of raw cotton prices and surpluses in the United States itself. Therefore, the only way out was to give an outlet to increasing Japanese textile production by reopening private trade on August 15. This outlet, incidentally or not, happened to be China, and the South Sea markets to which Chinese textile mills were fondly gazing.

This, according to Chang Ching-teh of the *Economic Weekly* is not half the story. The other portion of the tale is the report that SCAP plans to let the Japanese operate 6,000,000 or 7,000,000 spindles, somewhere on the level of that country's 1930-1934 output.

This would create a large outlet for American raw cotton until such a time as there would be no need to have Japan's textile industry as a dumping ground for this commodity. Then the Japanese, with the impulse given them by American cotton, would concentrate on purchases from Egypt and India, but China's side of the picture would be unchanged: Japanese textiles would still be coming in and creating havoc in local markets, and simultaneously blocking other markets in Asia.

From the American point of view, the foregoing may be an extremely one sided picture. The first objection to the statistics compiled by the Chinese economist in question would be the percentage they constitute of *American* exports. When this is found to be insignificant, it can be said that the entire perspective is highly exaggerated.

No matter how insignificant a percentage of American exports are absorbed by Japan, China's side of the problem remains dark and pessimistic. So long as Japan is enabled to start on her export spree at this hour, China's industries and trade are bound to suffer and the discrepancy between agricultural China and industrial Japan continue to grow.

* * * *

IT would be highly unfair to place the entire blame on the United States for the menace created to China by this untimely reopening of Japanese trade. The National Government decided to reopen trade despite nation wide opposition to this measure. The responsibility, therefore, for the probable effect on China's industries and trade, should also be borne by the Government to some extent. This, nevertheless, should not altogether clear SCAP of responsibility for rebuilding Japan.

The *Economic Newsletter* published in Hongkong, revealed that the usually accepted reason for Chinese Government compliance to reopen Japanese trade on August 15, as being "subservience to the United States," is not the main one. The *Newsletter* charges that inasmuch as the time for instituting constitutional government has come and with it the necessity to desist covering Party expenses from Government coffers, the Kuomintang is faced with the problem of raising funds to continue as the dominant party in this country. Trade with Japan, if controlled by the Kuomintang will bring in the necessary funds in the form of profits.

This may be a plausible explanation of the readiness with which the Government agreed to reopen trade with Japan. Besides, critics who insist solely on blaming SCAP for rearing the "tiger" of Japan, forget that China has now become one of the Big Five, and therefore should have much to say in the way her former enemy is handled. The recent Chinese support for the Soviet insistence that the Japan treaty be first discussed by the Big Powers indicates that the first measures to this end are being taken. But it should not be forgotten that the mere writing of a treaty is not enough in itself: the Japs and

their textile mills have to be watched with a wakeful eye. In this question of fixing the level of output and the volume of trade the Chinese Government should assume a definite stand which would not be injurious to the Chinese people's interests.

It cannot be too strongly argued that a lot of time (more than two years) has been lost in this respect. But there is no ground to assert that it is already too late to cage the tiger. It is never too late to do this, only the efforts for this operation may have to be much greater.

Error In Translation

ANNA Louise Strong's article entitled "Russians Walk Softly In Dairen," which appeared in a recent issue of the *Review* was reproduced in Dr. H. H. Kung's *Shih Shih Hsin Pao*, under the headline: "Russians Walk Softly INTO Dairen,"—on the whole, a very convenient error in translation!

The Bureaucratic Mind

ALTHOUGH we generally are not in favor of publicizing the numerous incidents of bureaucratic inefficiency which come to our attention, the case of a friend of ours upon whose behalf we have been wrangling with the local Customs for the past two weeks seems worthy of publication as a horrible example of the bureaucratic mind.

This friend, the China representative for a large American publishing firm, arranged with his home office to send him a few thousand form letters which he in return would post to the firm's readers in America. The idea was simple: Readers in America, receiving a letter mailed from China, would be impressed with the fact that our friend was on the job, reporting the China news for them.

When the letters had been printed and readied in America, they were boxed and shipped. After many delays, they arrived in Shanghai about three weeks ago. Meanwhile, our friend had left Shanghai on a lengthy trip and we agreed to shepherd the box through Customs for him, take the letters to the local postoffice, buy the stamps and send them on their way back to America. However, this was not as simple as it looked. The Customs decided that since foreign exchange had not been obtained for this "import" and since there was no import license, the stuff could not come in.

Explanations by the volume have refused to shake the local customs officials, who, apparently having learned the commercial import rules by heart, have no desire to acquire any further knowledge. Since they seemed determined to consider this box of printed, reading material — reading material for an American audience in America—in the same light as a shipment of machinery or some other commercial product, we hit upon the idea of taking the tack that the form letters might be considered as a commodity for re-export, after processing (stamping the envelopes) in China. The answer again was in the negative.

* * *

THIS case of bureaucratic reasoning—or lack of reasoning—is an example of how a government agency, which theoretically is set up to serve the public, often succeeds only in antagonizing those who have dealings with it. So long as stupid, dull little men who are incapable of understanding anything which is not in the rule book continue to function as bureaucrats in various government agencies, there will continue to be loud criticisms of the administration.

25 Years Ago In The Weekly Review Of The Far East

Economic Program

September 30, 1922.

DR. Sun Yat-sen, in an authorized interview published in the *Chicago Tribune* on August 25, stated that "no financial arrangement in China would be effective without considering China's financial problem as definitely related to American participation in the economic reconstruction of Europe." He also stated his belief that the development of the European reparations question soon would reach a point where Europe must approach America with a definite proposal for readjustment of the European war debts. And in this connection, Dr. Sun emphasized the fact that China is a large debtor of Europe and any general readjustment of the indebtedness of the various nations to each other absolutely must consider China's case as part of the whole world program. Dr. Sun is standing on absolutely solid ground when he makes this statement.

* * *

High Expenses

THE inability of the Chinese Government to meet its expenses, particularly to pay its own officials, is leading to a situation which must be dealt with realistically. The laborer is worthy of his hire. A man cannot be expected to do even fairly good work when he cannot meet his daily expenses. Sooner or later the officials will have to find work which will give them a living wage. It is now clear beyond the possibility of a doubt that no government can exist in Peking without a foreign loan until the entire economic system of the country is reformed.

10 Years Ago In The China Weekly Review

Ambassador Aboard

September 25, 1937.

ACCORDING to a telegram from Admiral Edward Marquart, commander of the U.S. Yangtze Patrol, stationed at Nanking, the U.S. gunboats Luzon and Guam are still at Nanking—presumably, but not mentioned in the telegram, with the American Ambassador and staff aboard. This telegram received by Admiral Harry E. Yarnell, commander-in-chief of the U.S. Asiatic Fleet, on Tuesday evening of this week, constituted the first definite information to be received in Shanghai as to the exact whereabouts of American Ambassador Nelson T. Johnson. U.S. Marine HQ in Shanghai released to the press a copy of the communication which Admiral Yarnell had sent to the Japanese Fleet Commander Admiral K. Hasegawa, wherein the American naval commander had rejected the Japanese admiral's "advice" that the American boats at Nanking should be moved upstream because of the threatened Japanese air bombing of the Chinese capital.

* * *

Before Time Limit

IT is to be noted that on the day previous to the date set by Admiral Hasegawa four mass bombardments of the Chinese capital were carried out by Japanese planes, variously estimated at from 50 to 80 in number. Many Chinese civilians are reported to have been killed and injured in the raids, during which bombs dropped practically all over the city. Some landed near the National Government offices, the Central University, and elsewhere. The capital was kept rocking for nearly two hours in the first two raids by heavy fire from anti-aircraft guns. It was confirmed that five Japanese planes were shot down.

AMERICA: THE UNEASY VICTOR

A Study Of The Truman Doctrine And Its Opponents

PHILIP JAFFE

(Reprinted from the final issue of AMERASIA)

TO act as a well informed and intelligent citizen of the United States in the year 1947 is no easy task. What with the headlong pace of events and the passion with which their meaning is debated, even the most calm and careful analyst may lose sight of the main currents of history. In great debates that absorb the world today, with their charges and countercharges, statements and counterstatements, the average citizen can easily succumb to an intellectual vertigo that may make it impossible for him to reach any clear or logical decision as to where he shall stand.

On the one hand, he is told that the Soviet Union is an implacable foe, bent on sabotaging world peace, and that the best way for America to save herself and the world is by dropping an appropriate number of atomic bombs on the Kremlin. On the other, he is told that American imperialism, embarked on a program of world domination, is the major source of all postwar difficulties. Then again, he is warned that the United States is being led into dangerous political waters by a wily British Foreign Office seeking to enlist American aid for the preservation of a tottering British Empire. There are many that seek to convince him that the salvation of America and the world lies in vast expenditures by the American people for the rebuilding of other nations. From other quarters comes the cry that America must not waste her substance in foreign loans; that she should leave Europe and Asia to their own struggles and concentrate on building up her own strength.

The task of keeping on an even keel in the turbulent waters of foreign affairs is not made easier by the fact that the opponents of the Truman Doctrine include groups that are poles apart on every other political issue. What is the average citizen to think when he finds that the Truman policy is not only attacked by the followers of Henry Wallace, but is rejected even more vociferously by the supporters of Colonel McCormick? Still another source of confusion is provided by recent statements emanating from the Vatican. Long accustomed to think of the Catholic hierarchy as the spearhead of conservatism and reaction in the modern world, many Americans may well be startled and perplexed to read a Vatican statement contending that "war against Russia in the name of anti-communism would be as morally unacceptable and politically dangerous as war against the Western powers . . ."

Even more confusing are the varied interpretations placed upon every political event or utterance. On one day, the American people are told that the Marshall Plan marks the demise of the Truman Doctrine; on the next, they are informed that it is simply the Truman Doctrine decked out in more acceptable phraseology. The debates are long, complex, and notable for passion, if not for consistency. One participant, for example, may argue simultaneously that the Soviet Union constitutes a definite threat to American security but that universal military training is to be abhorred. Another will contend that American support must be confined to those that support democratic ideals, and in the next breath will defend a loan to the Turkish or Chinese government. And what is one to think of an American policy that explains its actions in Greece on the grounds of a Soviet threat, and yet takes similar action in countries like Brazil where no such threat exists?

On the domestic front, the arguments are no less baffling. Some analysts maintain that the presidential veto of the Taft-Hartley Bill is a sign that the Democratic Party is returning to the Roosevelt program. Others contend that the failure of Congress Democrats to sustain the veto proves the inability of either major party to serve the interests of the American people, and that therefore a third party is necessary. The easy formulas of the past seem inadequate to deal with the problems of the present, and there is little agreement as to what new formulas should be adopted. In the meantime, policy is improvised on a virtually day-to-day basis, past actions become irrevocable, the world shaking events of a few months ago are overshadowed by the screaming headlines of today, and the American people continue to ask the familiar question, "Where do we go from here?" But the answer is not easily found, because America today is seeking a solution to a problem that neither she nor any other nation has ever faced before: How can a fabulously rich and powerful country, whose economic system requires ever expanding frontiers, succeed in creating such frontiers in a totally impoverished world?

* * *

THE United States has risen to heights of power of which the signers of the Declaration of Independence scarcely dreamed. In the short span of 170 years, the American nation has not only freed itself from colonial bondage, but has gone on to achieve the highest ranking position among the world's great powers. In the meantime, nations with far older civilizations, and nations that for centuries have ruled large sections of the world, have steadily declined in economic and military power and in world prestige. America's rise to world eminence, moreover, was accomplished under circumstances unique in world history. It was for the most part unattended by the foreign conquests that characterized the history of other great powers, and unlike other nations, the United States was never ravaged by foreign wars fought on its soil. On the contrary, American participation in two World Wars enhanced rather than curtailed the country's economic and financial strength. And the spectacular development of American natural resources was not impeded by the deep rooted tentacles of feudalism that have served to obstruct industrial and agricultural progress in other parts of the world.

The attainment of such a preeminent status by any nation would

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seem to be cause for wholehearted rejoicing on the part of its citizens. Yet the United States today is more uneasy and disturbed about its future than ever before. For just when it has reached this pinnacle of wealth and power, and when its greatly enlarged productive capacity is in urgent need of an expanding world, it finds that almost every other nation has been reduced to a state of acute poverty, with the result that some of them are literally begging at its door for alms. And when we come to deal with these supplicants, we find to our amazement that they are the same countries with which we used to carry on a profitable though limited trade in prewar days. We also find that our vastly enlarged productive plant needs very little of what they can provide, and even worse, that they have no money to purchase what they need so badly and what we are so abundantly able to produce.

The Origin Of The Truman Doctrine

THE American economy, at the peak of its power, finds itself in a world that no longer conforms to traditional economic patterns. America grew up during an era when the dominant economic system functioning throughout the world was capitalism. The prime requisite for the successful existence of a capitalist nation is economic expansion, whether this takes the form of external expansion, as in the case of most countries, or of domestic as in the United States. Many wars have been fought between nations that, unable any longer to expand peacefully, sought to conquer markets and sources of raw material to keep their home wheels turning. Invariably, such wars resulted in a redistribution of territory and political power in favor of the victors, and elimination of one or more of the vanquished from the ranks of the major powers. Before World War I, for example, there were 11 countries with extensive world interests. After World I, that number was reduced to seven; the Austrian and Turkish Empires became matters of historical record; and Germany's colonial possessions were divided among the victorious Allies. After World War II. that number was reduced to only two, namely Great Britain and the United States.

Following World War II, however, the changes in the world situation differed not only in degree but in character from those resulting from any previous war. For one thing, powerful and determined nationalist movements had developed in many colonial areas simultaneously with the decline in power and prestige of their former rulers. For another, the Soviet Union had proved that a socialist state could more than hold its own among other great powers in terms of both military prowess and civilian morale. But most important of all, the capitalist world found itself divided between only two great powers—the United States and Britain—with the smaller empire countries reduced to the status of British satellites. And, whereas, following previous wars there occurred a revival of world trade with the victorious powers enjoying new advantages, some 50 years of war and exploitation of one nation by another have so impoverished the world, and so completely destroyed its market potential, that today both the United States and Britain find themselves in the unhappy position of being victors without spoils. Within the capitalist world as at present constituted, neither country can find any "new frontiers" for expansion that do not impinge upon the interests of the other, while both are faced with the vigorous opposition of hitherto dependent peoples to any attempt to relegate them to their prewar status.

This realignment of forces resulting from World War II has produced two major consequences. In the political sphere, the "uneasy victors"—Britain and America—have joined forces in opposition to the rising people's movements in all parts of the world under the false and misleading banner of an "anti-communist" crusade. In the econo-

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mic sphere, on the other hand, a very real though "bloodless" war is waged between the two great capitalist powers as each endeavors to solve its new world problems.

Economic rivalry between America and Britain is, of course, nothing new. The United States has been endeavoring for many years to break through the barrier of Britain's "Imperial Preference" system in order that British controlled colonial areas might be opened up for American trade. But since V-J Day, America has achieved greater success than ever before. In the Western Hemisphere, for example, Britain has lost considerable ground. Her influence in Argentina is being steadily weakened by the United States, while Canada has moved still further into the American orbit. In China, Britain has yet to acquire trading privileges comparable to those granted to Americans under the terms of the recent Sino-American trade agreement. In the Near East —a traditional British stronghold— American interests are "moving in" and have already broken the British monopoly control over the oil resources of that area. In Japan, American policy is dominant, and American plans to revive the Japanese export trade, particularly in textiles, run directly counter to British plans for the reconstruction of a Far Eastern export trade based on Lancashire in collaboration with the Indian textile industry. In Southeast Asia, Britain finds herself under increased pressure from American commercial and financial interests. And even in India, long the exclusive domain of British industry and finance, there looms the threat of increased American competition when a relatively industrialized Hindustan attains the freedom to seek American goods and capital. Already during 1946, American exports to India quadrupled the prewar figure, to reach a total of US$181,000,000. The *New York Herald Tribune* (April 11, 1947) observed that "India's weakened political ties with Britain, lessening of exchange controls within the sterling bloc, and increased Indian preference for American goods are the principal factors expected to bring increased United States-India trade."

The process by which the United States has progressively undermined the position of Britain as a world power has gone largely unnoted by the American press, which has chosen to publicize American expansion in terms that make it appear primarily anti-Soviet in character. Yet even before President Truman made his historic speech on March 12, 1947, announcing America's intention to finance the Greek and Turkish governments as bulwarks of democracy, American wealth and power had already made serious inroads into the traditional preserves of British trade and influence.

This basic rivalry between America and Britain is frequently obscured by other factors. Whereas in Japan, Anglo-American economic antagonism stands out in bold relief (there is no more severe critic of General MacArthur's occupation policies than W. MacMahon Ball, the British Commonwealth representative, *(Ball resigned Aug. 17.—Ed.)*, in Europe it is veiled and modified by Anglo-American collaboration in the political sphere. This phenomenon is the result of the British Labor government's determination to oppose any social changes in Europe that might, in their opinion, threaten Britain's leadership of Western Europe. Too weak to achieve this goal singlehanded, they are willing to accept American aid, likewise directed against such social chances, with whatever risks this may entail.

That many influential groups in England are fearful of the consequences of this policy is evidenced by a large number of speeches and editorials from varying political quarters. In an editorial (March 3, 1947) published on the eve of the Geneva Trade Conference and entitled "The American Giant," the *Times* (London) deplored the tariff agreements reached between the Truman Administration and the Republican party that permit the American Tariff Commission to withdraw any tariff concessions made by American negotiators at Geneva. The *Times* raised serious doubts as to whether the Republican Party "can show the same willingness to cooperate on the economic side of foreign policy as it has shown on the political side," for the "possibility of tariff concessions being banned if they lead to larger imports, which surely should be their purpose, is too menacing to be disregarded.

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Such a provision would introduce something very much like a veto in economic affairs as the price of American participation." (One can well imagine that the subsequent passage of the Wool Bill under Republican auspices was greeted with gloomy "I told you sos" in the editorial offices of the *Times*.)

As early as October 1946, Leopold Amery, former Secretary of State for India, was declaring that "the United States is demanding a veto on economic cooperation. They mean that the British Empire shall be broken up economically and be eventually an economic and political tributary of America." Comparable views were also voiced by members of the Labor Party itself—a typical example being Michael Foot's query: "What shall it benefit us to gain a whole world in Whitehall if we lose it again in the White House or in Wall Street?" And when, not long after the passage of the Greek loan, the British government refused to consider a new American loan, it appeared that even the responsible leaders of Britain were becoming wary of American economic policy.

Nevertheless, there is considerable evidence to indicate that the British Labor government still hopes that it can utilize American billions to stave off the demise of Great Britain as a world power. The haste with which Foreign Minister Bevin welcomed the Marshall Plan denotes his eagerness to become the leader of a reviving Europe with the aid of American dollars. It may also be noted that despite Bevin's fulsome praise of American generosity, he has nevertheless been busily concluding trade agreements with the very countries of Eastern Europe that the United States has been denouncing. The whole trend of recent British policy, in fact, provides grounds for believing that Britain hopes to use American aid to Europe to strengthen her own trade position vis-a-vis the United States. It is only natural that within the compass of Anglo-American rivalry, the British will use any and all means to preserve as much of their prewar position as possible.

The American Century

THE post-war world cannot, of course, be viewed simply in terms of Anglo-American rivalry. Fundamental as this conflict is, it is complicated by two other important factors: (1) that the countries of Europe and Asia, including Britain herself, are in various stages of social revolution that of necessity modify the struggle between these two powers, and (2) that the continued existence of the Soviet Union as a strong and indestructible country is regarded by many people as proof that a nation may change its economic and political structure and still withstand the efforts of other powers to destroy it. Thus, even if the United States should succeed in acquiring a dominant position in the erstwhile British strongholds in Europe, Asia, and the Middle East, the kind of Europe and Asia that the United States would face would be fundamentally different from the world as we knew it prior to World War II.

And yet, long before its formal proclamation, the Truman Doctrine functioned on the thesis that the restoration of the prewar status quo was both desirable and possible, with the proviso that the United States and not Britain should be the dominant power. The authors of that doctrine recognized, however, that since the world had just gone through a long and bitter struggle against fascism and its reactionary allies, and since the war aims of the United Nations committed the United States to a partnership in the engineering of a genuinely new world order, they would not bring about such a complete reversal of American foreign policy without some remarkably plausible excuse. In order to obtain a popular mandate from the American people for this reversal of policy, and in order to sell the new policy abroad, the architects of American policy therefore launched an intensive propaganda campaign around the central theme that the "democratic way of life" was being threatened, not only by the Soviet Union but also by every country that was endeavoring to change its social and economic structure even one degree left of center. This campaign was aimed not only at countries like China and the Balkan States, but even at such countries as Britain, France, and Italy.

The authors of current American policy appear to be totally blind to one of the outstanding facts of the post-war world, namely that, aside from Canada, the United States is the only major world power that is practising anything like orthodox capitalism. With only a few unimportant exceptions, all the other nations are in various stages of progress towards a new social and economic order. This fact is of vital importance, regardless of whether that progress is from feudalism towards an early form of capitalism, as in the case of the Asiatic countries (many of whom are also in the process of throwing off foreign rule), or from capitalism to various forms of socialized economies as in Europe.

With regard to Europe, the traditional home of capitalism, it has become clear that 200 years of world capitalism have brought the peoples of Europe to a state of collapse. The peoples of Europe have therefore concluded that the kind of economy under which they formerly lived can no longer preserve them as human beings, maintain them as independent countries, or guarantee them against recurrent wars. This view is shared not only by the parties of the left, but also by such groupings as the Christian Democrats in Italy and the MRP in France, not to mention the Labor Party in England as well as a substantial part of the Tory Party that recently declared its allegiance to the economic changes that have already been wrought by a Labor Parliament. In short, the system of capitalism in its European form has failed. For the moment, it is quite beside the point to debate the future course and usefulness of capitalism in the United States. Time alone will tell if and how the American people will decide to modify their economic system. But, in any case, there is no reasonable basis for the argument that because capitalism is still deemed good by the American people it must also be good for all other peoples. There is even less basis for a policy of bribing other nations to accept our economic methods with dollar bills dangling from guns. Much of American official propaganda attacks the Soviet Union for attempting to induce other peoples to adopt socialism or communism, and describes this as an international plot against the integrity of free peoples. By what extraordinary process of logic then, can we accept the theory that it is perfectly honorable for the United States to use coercion and dollar diplomacy to force other peoples to accept an economic system of which we approve, but which has proved a dismal failure as far as they are concerned?

The results of such a policy could have been easily foreseen. The steadily increasing resentment of the majority of the people of the world against the United States has now reached serious proportions. The fact is that wherever the Truman Doctrine has been applied, social tensions have sharpened and even civil wars have been increased in scope and intensity. The result has been a chain reaction of cabinet crises and resentment against American interference. The situation was aptly described by the comment of the London *Economist* (May 31, 1947) on Mr. Stassen's proposal to aid Europe on condition "that countries accepting American aid should make no further Socialist experiments." The *Economist* points out that it is "important that Mr. Stassen and other Americans should realize that insistence on such conditions would ruin the project. If not merely the Communists but also the Socialists and the nationalists were driven into opposition to it, in which countries of Western Europe would it (the United States) have a friend?" This drift of the United States from being the most-favored nation to the most hated is no longer a secret either to observers throughout the world or to our State Department. Secretary of State Marshall's recent Harvard speech may be considered as evidence that the American Government has come to recognize the seriousness of the problem. No matter how much the peoples of the world need and desire American economic assistance, they would prefer to retain their national integrity, even at a low economic level, rather than consent to an American spon-

sored restoration of an obsolete social order.

The people of Europe and Asia are fully aware that the Truman Doctrine, in all its manifestations, is the logical offspring of the American Century ideology. That ideology is based on the fact that the United States is now the dominant world power, and that if only the world could be restored to what it was, say 50 years ago, in terms of trade and investment opportunities, America, by virtue of her industrial "know how," her enormous productive capacity, and her vast quantities of "idle capital," could enjoy the major share of the profits previously acquired by other capitalist powers. The first step in the realization of this goal would be to establish political and economic control over a sufficiently large part of the world so that there could be no effective opposition to whatever plans the American Century theorists might evolve.

These American Centurions constitute a group of industrial and financial interests whose most articulate spokesman and publicist is Henry Luce, the publisher of *Life*, *Time*, and *Fortune*. (For a full-length delineation of this ideology, see "The U.S. Opportunity," in *Fortune*, June, 1947). This group rejects isolationism, but it also rejects the policy of international collaboration envisaged by President Roosevelt and given concrete form in the declaration of Yalta and in the United Nations. Its keynote is unilateral American intervention in the image of what its members conceive to be the American pattern of society. They recognize that America is a "have" nation living in a world of "have nots," and they propose to solve this problem by exporting the "industrial revolution," under direct American supervision, in order to expand the frontiers of American trade and raise purchasing power abroad. They are even willing to invest huge sums of money to stimulate enterprise and industries in backward areas in order to enlarge the sources of American profits. At the same time, they are unalterably opposed to any social or economic changes that seem to point in a leftward direction, and they are equally opposed to sharing the benefits of their program with any other power.

It is an undeniable fact that the American economy must produce for the world market. But it is equally true that if the purpose of this production is not at the same time aimed at world rehabilitation, the United States will provoke economic and political crises both at home and abroad. The main strength of the Roosevelt foreign policy lay in its recognition of this latter truth. It was directed toward providing an expanding market for American goods, not by trying to oppose the forces of social progress but by yielding to them and even aiding them. The uprooting of feudal and fascist elements in Europe and Asia, the retirement of the old ruling classes, the complete independence of the former colonial peoples, etc., were all essential points in the Roosevelt program. The American Century program, on the other hand, recognizes only the necessity of an expanding world market for American goods, and rejects the social and political changes that are the indispensable corollaries to the attainment of this goal. It represents the "internationalism" of men with no sense of history; men forced to face the problem of the world market with no guide other than the traditional ideas and prejudices of their class.

The vision of the American Centurions is narrow and static, and stiffened with gold braid. They underestimate or ignore the dynamic forces of social change, and they fear and distrust the world upsurge of the popular demand for a new deal. They depend upon the American dollar and the atomic bomb to enforce their will upon a struggling world. Their views are typified by the two following quotations from *Business Week* (March 22, 1947) and *Barron's* (March 17, 1947), respectively. Commenting on the implications of the Doctrine, *Business Week* said: "If the United States is gradually to replace Britain as world policeman, American business will need to broaden its vision of the benefits which can be derived and which can, in part at least, compensate for the costs involved. As soon as the United States government assumes the responsibility for establishing and maintaining order in a region, private business will inevitably follow—first to serve the military and civilian personnel that will administer continuing United States loans; later, as order is restored, to find new markets among the local population." *Barron's* was even more outspoken: "Mr. Truman cannot be thanked too gratefully for his honest and straightforward presentation of the reasons for embarking on a course so alien to that of his widely worshipped predecessor," though it observes that he "had to pay lip service" to the Roosevelt policies "with a few clichés about the United Nations" in order to put his doctrine across. Equally frank is its confession that, in order to prevent a revolution in Greece, "we support a Greek government, even an imported King, as a puppet to prevent it."

Such undiluted expressions from leading political and financial organs show only too clearly that the aim of the American Century ideology and its present instrument, the Truman Doctrine, is to acquire economic and political world hegemony. But this aim needed a high moral cloak to make it more palatable and acceptable. Saving the world from Soviet Russia served as this cloak.

American-Soviet Relations

THE widespread belief that the Soviet Union constitutes the major obstacle to world peace and prosperity is the result of a deliberately manufactured propaganda campaign in the United States, designed to conceal the real aims of the American Century policy. That campaign was launched soon after V-J Day, when America set out to reap the fruits of victory and found herself thwarted not only by the acute poverty of the rest of the world, but also by the refusal of hitherto dependent and colonial peoples to return obediently to their prewar status. Having discarded the Roosevelt program, with its emphasis on international cooperation and the active encouragement of social and economic progress in all parts of the world, in favor of unilateral action in support of the prewar status quo, the American Century theorists seized upon the "menace of Soviet expansion" as an ideal slogan with which to sell their policy to the American people.

These theorists would have us believe that if it were not for the Soviet Union, then Chile, Paraguay, Indonesia, Hungary, Bulgaria, Greece, China, et al, and even our own state of Georgia, would be prosperous and obedient followers of the "American way of life." There would be no revolution or social unrest, and the United States could proceed without difficulty to gather in the profits due her as the world's foremost industrial and financial power. The truth of the matter is that the Soviet Union is not responsible for bringing poverty and oppression to hundreds of millions of people throughout the world, because these conditions existed long before the Russian Revolution of 1917, and carried with them seeds of rebellion that were destined to flower the moment that the power of oppression was weakened. It was obviously not Soviet "aggression" or "expansion" that enabled the Russian people to overthrow the Tsarist regime in 1917. Though less obvious, it is equally true that popular discontent and agrarian revolt in such countries as Indonesia, Indo-China, Cuba, and Mexico were not the result of Soviet expansion. What the Soviet Union has done is to provide the impoverished and subject nations of the world with an example of a people that successfully overthrew its own landed gentry and financial barons. It has also refused to cooperate in a policy aimed at restoring the world to its prewar status quo.

Nevertheless, millions of Americans have been "sold" the idea that the Soviet Union is their mortal enemy, and it would be highly unrealistic to disregard a national state of mind simply because it is the product of false information and misleading propaganda. Thus an examination of Soviet-American relations in the light of the events of recent years must form a major part of any analysis of current American foreign policy. The key question around which this problem revolves is whether the American and Soviet social, political and

economic systems can live peacefully and productively in the same world. Unfortunately, there has been a sickening amount of confusion and loose talk on this life-or-death issue from the more publicized spokesmen of the left, right, and center.

On the extreme right, the Hearst and McCormick press and such Russophobes as William Bullitt, ex-Governor Earle, and James Burnham, offer the simple solution of wiping Russia off the face of the map with a few hundred judiciously placed atomic bombs, after which holocaust Americans could retire quickly to the Western Hemisphere and live happily under a system with low taxes, no labor unions, and carefully restricted civil liberties. These self-appointed atom bombardiers, who believe that a "48-hour war" can make the world safe for them, might do well to study the recent editorials in *L'Osservatore Romano*, the daily spokesman of the Vatican, in which the West is more forthrightly warned against aggression and warmongering than is the Soviet Union. The statesmen of the Catholic Church are old masters at adjusting themselves to changing political and economic conditions, and they are far more aware of the realities of European and world politics than some of our swivel chair master minds. They realize how deeply the people of the world want peace, and they know that the launching of an atomic war would precipitate such mass indignation that no one that supported it in Europe would be spared. They know, too, that in such a war the Vatican could be neither neutral nor safe. For no one man, and no one class, can win a war against mankind. Hitler and Tojo were defeated the moment that they converted their wars from an attempt to conquer strategic positions from rival empires into an attempt to subjugate the peoples of the world. The Vatican has no desire to see the champions of "Western Civilization" repeat the same mistake. And if the Vatican is not regarded as a reliable mentor, the advocates of "war with Russia now" might ponder the words of an eminent American historian, Henry Steele Commager, in his article entitled "Russia Could Win the Next War" (*Magazine Digest*, October 1946). In calm and dispassionate phrases, Professor Commager demonstrates conclusively that any attempt by the United States to eliminate Russia via atomic warfare, or to line up a coalition against Russia, would be certain to fail for the simple reason that the people of the world would not support us. The notion that America could win such a war he dismisses as fantastic.

Among the less extreme sections of the right, we find an immense amount of double talk. While contending that there is no room for both systems of society in the world, and that the Soviet Union is the mortal enemy of all "freedom loving nations," the chief spokesmen for this group nevertheless go through the motions of debate, conference, discussion, and compromise, while simultaneously calling upon the Soviet Union to "cooperate." Yet how is it possible to reach a compromise with a nation that is so evil and such a menace to mankind? What moral justification can there be for sitting down at the conference table with such a ruthless and unprincipled bandit? This contradictory approach is characteristic of the "short of war" school of thought that is willing to employ any device in order to advance its own economic and political ambitions. Members of this group "talk tough" or "talk soft" depending on the political climate. They consider it smart tactics to confuse and alarm the American people with the Communist bogey in order to win popular support for domestic witch hunting and foreign adventurism. They are more concerned with winning victories at the polls than with furthering the best interests of the American people. Though they know in their hearts and minds that cooperation with the Soviet Union is possible without the sacrifice of any legitimate American interest, they regard the preservation and enhancement of their personal fortunes (both political and economic) as of greater importance than the attainment of world peace.

When we move to what has become known as the "center" or "middle of the road" philosophy, we find that among the most articulate spokesmen for the many millions of honest liberals are the professional obscurantists. Members of this group seek to capitalize on the sturdy American traditions of democracy, free speech, and constitutionalism. But they have no consistent program. They are vigorous vocal champions of the "people's interests" up to the point where those interests threaten to interfere with their own personal success and recognition. They set themselves up as the defenders of "true democracy," but oppose with venom any contrary definition of the term. Their stock in trade is their "objectivity" and their ability to see all sides of every question, yet they fear and attack any philosophy that threatens to deprive them of their oasis like existence. Members of this group would love the Soviet Union if only the Soviet Union would be as careless with its principles as they are with their own. It is this group that forms the breeding ground for the professional and pathological "anti-Sovieteers" who, for reasons of personal spite or monetary reward, have become the well paid literary hatchet men of the extreme right. Though posing as the defenders of American liberalism, they will vilify and smear any individual or movement that incurs the dislike of their paymasters, and their words are publicized via a press-radio network that reaches millions of Americans daily, weekly, and monthly. It is they, more than any other single group, that have been responsible for creating the wave of anti-Soviet sentiment that has prevented the American people from thinking clearly and farsightedly about their role in the postwar world.

An almost equal amount of confusion, however, emanates from what can best be termed the "pseudo-left." These "extreme leftists" contend that American capitalism and Soviet socialism cannot coexist peacefully; that American capitalism is irrevocably bent on war; and that therefore an immediate struggle for a socialist America is the order of the day. In other words, their premise, if not their conclusion, is identical with that of the Burnhams and Bulletts on the extreme right. They favor bringing on the worst in the misguided belief that by some miracle the worst will produce the best—the worst in this case being worldwide destruction and misery. Sitting at a safe distance, they welcome the prospect or reality of civil war in China, India, and Europe as a triumph for the cause of world revolution, without regard for the millions of Chinese, Indian, and European lives that would be needlessly sacrificed in the process.

Other leftist theoreticians have built up a jesuitical argument that it is in the nature of American monopoly capital to reject the Roosevelt policy; that it cannot do anything but move towards war against the Soviet Union; and that the Roosevelt program simply served to "camouflage" the real intentions of the United States. Yet at the conclusion of this argument, they call for a return to the Roosevelt program. But if that program is only camouflage for world conquest, or if it is not in the interest of American capitalism, it is ridiculous to call for its restoration. A return to the Roosevelt program makes sense only if that program is accepted as a road to world peace that is profitable and advantageous both to the capitalist United States and to the socialist Soviet Union, as well as to the lesser powers of various types and stages of development. These leftist theorists cannot support both their premises and their conclusion; one or the other is obviously incorrect, since they contradict each other. This type of confused thinking on this key question results only in aiding the reactionary camp.

Is American-Russian Cooperation Possible?

IN all the heat and smoke engendered by the current propaganda war between the United States and the Soviet Union, certain basic facts have been obscured. One is that different social, political, and economic systems have lived together in the same world throughout the history of mankind. Another is that leading Soviet statesmen and highly esteemed Americans have both expressed the belief that their respective systems can coexist on a peaceful basis. It is important to note, moreover, that when these men say that Capitalist America and Communist Russia can live harmoniously in the same world, they do not mean

that America will have to go Communist or that Russia will have to become Capitalist. Too many of our leftist theoreticians seem to forget that the America of Roosevelt's administration was not only capitalist but American-century minded as well, and that this did not impair our ability to cooperate with the Soviet Union and to maintain a progressive approach to the rest of the world.

In this connection, it may be valuable to quote in full the text of a radio broadcast by Professor I. Lemin of the Soviet Union, delivered on June 2, 1947, and beamed for Europe. The subject of Professor Lemin's address was "The Possibility of Cooperation between Various Political Social Systems."

"The straightforward and convincing statements made by Generalissimo Stalin in his interview with Stassen concerning the possibility of cooperation between various social and political systems, and the willingness of the Soviet people to cooperate, have been welcomed everywhere not only because they gave an authoritative interpretation of Soviet foreign policy, but also because they provided a definite program for the strengthening of international peace and cooperation. The possibility of cooperation between different social-political systems is the basis of Soviet foreign policy.

"It was not by chance that Stalin referred to the ideas of Lenin, founder of the Soviet States. The theory of cooperation was defended by Lenin and Stalin as early as 1918, during the period of the Brest-Litovsk negotiations. Twenty years ago, at the 15th Congress of the Communist Party, Stalin discussed Soviet peace policy and the efforts made by the Soviet Union to cooperate smoothly with capitalist countries, and declared: 'Our relations with capitalist countries will depend on whether the existence of two opposite systems will be permitted.' That is, and has been, the line followed by Soviet foreign policy.

"Some foreign commentators are trying to present the statements made by Generalissimo Stalin in his talk with Stassen as something new or, if you prefer, as a change in the Soviet line on this matter. These commentators know very little about the history of international relations, or else they hope that their readers or listeners have bad memories.

"We may recall that at the International Economic Conference in 1927, thanks to the initiative of the Soviet delegation, a resolution was passed supporting the principle of cooperation among various social-political systems. Of course, the passing of this resolution did not mean that this goal was completely realized. The history of the last decade shows a number of instances when this cooperation was put into practice for the sake of the people. But history also shows cases where possibilities for cooperation were neglected at the expense of the people.

"After the armistice of November, 1918, the Soviet Union repeatedly put before the Entente the question of cooperation. In the Soviet message of December 5, 1918, mention was made of nine previous messages addressed to (President) Wilson, all relating to the same subject. The Soviet Union was prepared to make concessions, and the Soviet statements stressed the great possibilities for economic cooperation. Unfortunately, in the countries of the Entente, the advocates of an interventionist policy prevailed, led by Churchill. The Soviet proposals for cooperation were rejected. The leaders of the Entente preferred to use such methods as blockade and intervention. In the end, of course, their policy proved bankrupt, but in the meantime it did great damage to the peoples of the world.

"During the thirties, a period of relative stability in international relations, quite close economic cooperation was established between the Soviet Union and other countries, in spite of the anti-Soviet machinations of some powerful capitalist circles. Many countries found in the Soviet Union a good buyer that carefully respected her financial obligations. The Soviet Union at that time was involved in particularly large transactions with Germany, Great Britain, and the United States. These transactions, however, though large, never reached the maximum of their potential development.

"At the International Economic Congress of 1933, the Soviet delegates stated that the Soviet Union was willing to place orders amounting to US$1,000,000,000 in the markets of the capitalist countries. If this proposition, made at a time of capitalist crisis, had materialized, it would definitely have aided the economy of the capitalist countries by creating a demand for such surplus commodities as metals and machinery. But this possibility was not realized. Instead of cooperating with the Soviet Union, the anti-Soviets led a campaign of slander against the Soviet Union, accusing Soviet policy of being responsible for the economic crisis in the capitalist world. They raised tariff walls against the import of Soviet commodities. A leader in this campaign was Hitlerite Germany.

"In the forties, the problem of cooperation between different social and political systems became of decisive importance. A common effort was needed in order to defend the independence of the freedom loving peoples. Soviet diplomacy struggled for the organization of collective action against the aggressors, and for the creation of a system of international security. In 1934, the Soviet Union joined the League of Nations. In 1935, she signed a pact of mutual aid with France and Czechoslovakia, and tried to conclude an Eastern European pact. When Hitler seized Austria, the Soviet Union made a concrete proposal for the effective cooperation of all the freedom loving nations. On the eve of World War II, the Soviet Union proposed to Great Britain and France the signing of a far reaching pact of mutual aid to stop the German invasion. Nevertheless, political circles in Great Britain, France, and the United States followed a mutually pacifist policy. The pacifists of Munich did their best to direct German aggression towards the East, against the Soviet Union. They were hoping for the outbreak of war between the Soviet Union and Germany.

"But the Munich strategy proved completely bankrupt and led the nations to World War II. During this war, the fighting cooperation of the Soviet Union, Great Britain, the United States, and the other United Nations developed successfully. The principle of the coexistence of different social-political systems passed its test in the fire of battle. Why, then, cannot economic cooperation develop in peace time as well as in war, for the profit of both parties? Why cannot the relations among the anti-Hitlerite nations, who cooperated so well during the war, be cultivated and strengthened now that the war is over?

"In recent months, Generalissimo Stalin has frequently discussed the vital questions of international politics. He stated to Elliott Roosevelt that in the darkest days of the war, the difference in social and political systems never hindered the free nations' unity in the fight against their enemies. That unity can be developed far better in peacetime. In his talk with Stassen, Stalin said that if two different systems can work together during war, why cannot they cooperate when the fight is over? At the same time, he pointed out that if there is a willingness for cooperation, then cooperation between different economic and political systems is definitely possible. But if such willingness does not exist, then cooperation becomes a problem even with identical systems.

"Various dogmas and theories have recently made their appearance, denying the principles of coexistence and cooperation between various political systems. Proponents of these theories not only declare that such cooperation is impossible and undesirable, but they foresee a fatal collision between these systems. It is unnecessary to state that such theories, which ignore fundamental principles, are not in the least helpful in establishing peace. On the other hand, in all the countries of the world there are circles that disagree with these shortsighted theories and believe in cooperation. Throughout the world, the masses of the people oppose the reactionary imperialist circles that preach against cooperation and organize ideological blocs for the preparation of a new war. The people, the common folk of all countries, will not waver in making their choice. They are for cooperation. They want a long, democratic, and stable peace."

On the same day that Professor Lemin delivered his talk, a *Pravda* editorial stated that Moscow wanted to cooperate "peacefully and in a business like manner, regardless of the difference in economic systems, with all countries that are equally sincere in their desire to cooperate." As additional proof that when the Soviet Union urges cooperation with the United States, it has in mind a capitalist America, we may quote a

few passages from an article by David Zaslavsky, one of the editors of *Pravda*. On the second anniversary of President Roosevelt's death three months ago, Zaslavsky wrote this article for the American press, which did not choose to publish it. In it, he said in part:

"On this second anniversary of his death, President Franklin Roosevelt stands out before all mankind as a great political and moral figure. Impressions of him have not grown weaker with time but, on the contrary, he seems to us today to be an even greater figure. Roosevelt is a man who will never be forgotten.... Roosevelt enjoyed the profound respect and support of his people.... Whence came this great popularity? Was Roosevelt 'left'? Not by any means, he was one of the defenders of capitalism. He was, however, a patriot in the genuine old democratic traditions of his country, traditions that were built up by great American statesmen in struggle against despotic monarchies and predatory incursions of foreign powers.

"Roosevelt differed from other American and European statesmen in his great breadth of vision, his ability to see past, present, and get a glimpse of tomorrow. He had sufficient will power to subordinate the interests of the day to the more important and more serious interests of the period. Such was his policy in those years when profound economic crisis brought the U.S.A. to the brink of serious social upheavals. He used his power as president to reduce the severity of the crisis by interference of the administration in the country's economy, and by curtailing the liberties of the big capitalists. Roosevelt invited the most talented and most honest of bourgeois intellectuals to cooperate with him in his administration. He was the founder of the celebrated 'brain trust' and organizer of extensive public works. Roosevelt enjoyed the support of the people in all this.

"Roosevelt also showed great breadth of vision in his foreign policy. Even in a most fantastic dream one could not imagine Roosevelt as sympathizing with communism. He differed from others, however, in foreseeing the great historical role of the Soviet Union and he correctly estimated the place, character, and strength of the Soviet people....The Second World War brought Roosevelt a popularity far beyond the frontiers of his own country ....Only two years have passed since Roosevelt's death but how the world situation has changed! Under these circumstances the second anniversary of Roosevelt's death is a reminder to the people of the U.S.A., a reminder of the tenets propounded by the great President. President Roosevelt is dead, but his figure rises up as a living reproach to those who have squandered his legacy."

An unbiased study of international relations during the past 30 years will reveal that not only can two or more divergent social systems live together in peace, but that the Soviet Union was and is sincere in its acceptance of this truth as well as in its belief that cooperation is both desirable and possible. On this question, Secretary Marshall's predecessor, James F. Byrnes, who was a close associate of President Roosevelt during all the major wartime international conferences, and who is known to be opposed to the Truman Doctrine, made some significant observations in a speech given on May 17, 1947, in which, among other things, he said:

"There is too much talk about war and too little talk about peace. The people of the Soviet Union do not want war. The people of the United States certainly do not want war. The people of other nations still suffering from the terrible cruelties of the recent conflict pray for a lasting peace.

"Under the circumstances, if war should come, it will not be because the people want war, but because of the incapacity of those who control the governments of the world. I do not believe that there exists such bankruptcy of statesmanship. I deny that conflict is inevitable. On the contrary, I believe we can make the peace and we can keep the peace. I realize the difficulties. But we can overcome those difficulties.

"We have made clear to the Soviet Union that it cannot dictate the terms of the peace. We must also realize that the United States cannot dictate the terms of peace. There can be such dictation only to a defeated enemy state or a defenseless state. The allied powers must realize that in their peace negotiations there is no place for the 'take it or leave it' attitude. They must negotiate with each other on terms of equality. They are not called upon to sacrifice fundamental principles but they are called upon to make wise decisions as to what are questions of principle and what are questions of policy.

"And the people of the United States must not demand perfectionism in the peacemaking. We must recall the words of President Roosevelt in his last message on the State of the Union on January 6, 1945. Then he said: 'Perfectionism, no less than isolationism or imperialism or power politics, may obstruct the paths of international peace. Let us not forget that the retreat to isolationism a quarter of a century ago was not started by a direct attack against international cooperation, but against the alleged imperfections of the peace.'

"The President was right. He foresaw the coming of this day. In this imperfect world there is no perfect peace. But we must follow our policy of patience and firmness and seek thereby to establish a peace as nearly perfect as human beings can devise."

These words, coming as they do from the man that during his tenure of office became the chief spokesman for a "'get-tough-policy" must be afforded long and careful consideration. Though belatedly, Mr. Byrnes seems to have recognized the cost of departing from the Roosevelt policy.

(To be Continued)

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Taming The Wild Bore

ROBERT L. COOK

ON the 18th day of the 8th Moon, October 2, the famous Hangchow Bore, one of the world's most startling and destructive national phenomena, will test recent extensive repairs to the man made defenses of stone erected against it in ancient times. On that day, in most years, the bore attains its greatest height and force.

About 1200 years ago, in the reign of Prince Chien of the Tang Dynasty, large numbers of Chinese labored to build a heavy seawall of hand cut stone along the shore of Hangchow Bay, today a few hours' train ride south of Shanghai in Chekiang province.

As the workers toiled, the waters of the bay lapped quietly at the shore and the reason for so massive a wall was not readily apparent. But twice a year, in the spring and especially in the fall, the need for the Chien Tang Dyke's great strength becomes obvious, as the world-famed Hangchow tidal bore hurls itself like a Neptunal Juggernaut against the ancient barricade.

20 Feet High

The assault of the tidal waters reaches its full force during the Chinese 8th Moon, when the pull of the moon's gravity is greatest. On the peak day, as throughout the marching centuries, a perpendicular wall of ocean water as much as 20 feet in height rolls across Hangchow Bay and smashes against the seawall.

The bore results from a war of waters whose battleground is Hangchow Bay, an S shaped funnel between the Chien Tang River and the ocean. This perennial struggle arises from the surge of the swift running river against the ocean, with the sea always winning. The opposing forces clash at the mouth of the bay, where a sand bar forces the incoming salt water to split and run high and hard against the outgoing river water.

The ocean rears whitely over the fresh water in a high crest. As it rushes into Hangchow Bay the narrow channel compresses it into an extended giant wave which moves at a speed of eight to 14 miles per hour across the waters of the bay like an elongated battering ram.

Falls Into Disrepair

The heavy rock seawall, which protects 6,000,000 Chinese farmers and their 10,000,000 mow (1,600,000 acres) of fertile farmlands from the persistent attack of the sea was repaired yearly with few interruptions from the time of its original construction to the period of Japanese occupation, when it fell into serious disrepair.

During the war years, the dyke's protective approaches were washed away in a number of places under the tireless action of the sea, exposing the pile foundation, rotting it, and causing the heavy stones to fall away. Water poured through the gaps, formed ponds behind the wall and pushed it into the bay. Great tracts of arable land were saturated and made useless by salt water.

Early in 1946 a young American conservancy engineer, Arnold N. May, of Spring Grove, Illinois, in China with UNRRA, surveyed the extent of damage to the dyke through wartime neglect. May mapped the points of greatest danger from sea action, numerous gaping holes where the great stones had slid into the bay, making easy the ocean's ingress to the farmlands beyond.

Rehabilitation Project

Following engineer May's report, active assistance by UNRRA and CNRRA to the Chinese Ministry of Water Conservancy and the Chien Tang Seawall Engineering Bureau was begun, with May as UNRRA supervising engineer. This work, called the Chien Tang Dyke Project, constitutes one of the most interesting and successful efforts at agricultural rehabilition in postwar China.

Repairs to the most dangerous of the many jagged holes in the dyke, breaking a 1000-year old precedent of laboricus coolie labor, have been completed by engineering skill and machinery. The primary purpose of the work is to restore to productive cultivation the sea damaged farmland of coastal Chekiang and to prevent further devastation of crops and soil by salt water.

Before Arnold May, with seven trained UNRRA technicians and Chinese engineers and workmen, began their work of repairing the dyke, they analyzed its construction and formulated a three phase program.

They found that the great stone wall runs for about 40 miles along the north bank of Hangchow Bay and about 75 miles on the south bank. The main wall, of ashlar stone, is 18 feet high, 18 feet thick at the base, six feet wide on top and is set on wood piling backed with a dyke of earth. The base of the dyke is protected by two stone approaches.

The first of three phases of the repair plan consisted of erecting earth and brush dykes as temporary protection, while the second phase, permanent dyke repair and maintenance, was being carried out. The third phase, erection of spur dykes, has in turn three important purposes.

Farmland Recovered

Spur dykes, jutting out into the bay from the seawall, will protect the wall by forcing the raging yearly tides and the swift river away from the main defenses. Secondly, a great amount of farmland will be put back under cultivation as a gradual silting process takes place between the spur dykes.

Thirdly, the spurs will force the river into a deeper, well defined course which will allow larger boats to steam safely into the port of Hangchow, stimulating and expanding trade in this important agricultural district of coastal China.

In the first stage of operations, the erection of temporary brush buffer dykes, up to 3,500 Chinese workers were employed, paid by CNRRA in UNRRA flour. Men, women and children worked to earn flour and to protect their lands. Twelve thousand feet of brush dyke and 200,000 cubic meters of earth were set in place to guard the most dangerous gaps in the seawall.

Pile driving groups of twelve men drove 50 to 60 piles per day by hand methods. At the work's peak, 16 groups were driving 800 to 900 20-foot piles per day.

Phase one was finished August 25, 1946, two and a half weeks ahead of schedule. On the day of the highest fall bore, UNRRA representatives and Chinese government and provincial officials joined the crowds of sightseers at Hai Ning to view the spectacular attack of the ocean.

Spectators from all over the world, armed with cameras, field glasses and camp chairs waited tensely. Most of them hoped for a high bore, a thrilling display of nature's might, that would sweep majestically over brush and stone alike, a sight to be described to fascinated listeners for ever after.

Anxious Moment

But for the little group of engineers who had worked hard to protect the lands of thousands of Chinese farmers against this supreme assault of the ocean, it was an anxious moment.

Came the bore, rolling in from the far off mouth of the bay and a disappointed murmur arose from the crowd. The bore was low, although still a formidable force of water. On it came, about eight feet in height, and the UNRRA engineers held their breath as it reached the temporary brush dykes. But their work of months had not been in vain. The brush and earthwork held. The danger was over.

Since that time, a year ago, phase two has been actively carried out. To get the tons of needed stone, work at Tang Hill Quarry started. UNRRA compressors and jack hammers arrived from Shanghai, but placing them in use was another matter.

Chinese quarry men reported with their time honored chisels and small hammers. Patiently, May and his engineers attempted to teach them how to use modern machinery and jack hammers in drilling holes and to calculate dynamite charges. It was no use. They had learned one way and they were not prepared to learn another.

Initiate New Men

May tried another scheme. He took untrained coolies who, knowing nothing about any methods of blasting stone, held no views on the

subject. These men are today his efficient powder monkeys and jack hammer operators, important cogs in his smooth running, hard hitting engineering organization which now consists mainly of well trained Chinese with a nucleus of foreign technicians.

"I believe that in men such as these coolies lies the future of China," says Arnold May. "Many older and technically skilled men refuse to deviate from the old ways and resent the introduction of new methods and machinery. A coolie is eager to learn and jumps at the chance to better himself."

Rocks of granite like composition up to four tons in weight, blasted by the ex-coolies, have been used to plug the many jagged gaps in the long seawall, carried first by sampan from the quarry to the working sites and later by two UNRRA supplied tugs and 23 wooden barges. Rock chips and crushed rock are gathered and used for road building by China's National Highway Administration.

Large Stone Quarry

To date 30,000 cubic meters of stone have been taken from the Tang Hill quarry, largest mechanically operated rock quarry in China, whose highest daily production so far has been 300 cubic meters. May plans to raise this to 1,000 cubic meters daily, which will be the largest quarry production in the country.

Recently, a second quarry was opened, using a nucleus of trained ex-coolie workmen from Tang Hill. Recently, too, small "pony" locomotives and 200 miniature railroad cars were delivered by UNRRA from Australia and are being placed in use to haul rock over narrow gauge tracks.

In contrast to another famed UNRRA water conservancy project through which earlier this year the Yellow River was diverted back into its prewar channel, and which has been called a "wheelbarrow and pushcart job," the Chien Tang Dyke project has been almost entirely a mechanized operation.

The Yellow River Project at its peak employed more than 400,000 Chinese workers, and used a minimum of mechanical equipment for so large an undertaking. The Chien Tang project, with a top force of 3,500 workers employed in the initial brush earth phase, and about 1,000 at present, has made greater proportionate use of modern machinery.

Mechanized Operation

Under the direction of the UNRRA engineers, a complete machine shop was set up, 40 motor vehicles placed in use and provided with a motor and tire repair unit which can even paint the vehicles. The project employs pile drivers, bulldozers, road rollers, cranes with scooping "calm shells," electric generators, water pumps, bit grinders, air compressors, two tugboats, 23 barges and a number of jack hammers. All mechanical equipment was supplied by UNRRA.

Not the least valuable feature of the project to safeguard this large slice of agrarian China from salt water devastation is the training it has afforded to numbers of Chinese. Beginning with Arnold May's coolies, Chinese have been trained in every phase of the entire operation. They now are qualified to operate the quarries and more advanced Chinese students sent from the Ministry of Water Conservancy have received training in all branches of the work. When UNRRA personnel are withdrawn, the Chinese workers will possess all the knowledge necessary to successfully complete the project.

Next, week, when the peak tidal bore arrives in all its power, another group of annual sightseers and thrill seekers will line up at Hai Ning, hoping, for the excitement that a high bore provides.

If backed by a high wind and with all climatical conditions favorable, the bore may reach a towering height of 20 feet. Such an avalanche of water last year would almost certainly have swept away or at least damaged the temporary brush barriers, now replaced in most of the dangerous places with heavy stonework.

Not until phase three of the project is finished, however, which will be roughly two years after UNRRA concludes its China program later this year, will the 6,000,000 farmers of this part of coastal Chekiang be fully protected by spur dykes against all but the most sweeping tidal wave.

But Arnold May, his UNRRA engineers and their Chinese colleagues will watch the bore's approach with considerably less nervousness this year than last. Although they know Nature is a dangerous adversary, full of surprises for man and his often puny efforts, and that conceivably anything can happen, they are confident that this year, as last, their work will stand the test. They feel that the wild Hangchow Bore has been tamed.

No Chinese Communists In Dairen

Anna Louise Strong

(This is the second of three articles by Miss Strong who is the only American correspondent to visit Dairen since V-J Day.—EDITOR).

Dairen, (By Mail).

THIS is doubtless the only large city in North China or Manchuria in which there is no organization of Chinese Communists. Not only are all armed Communist forces kept out by the Russians, but there is no organized group of Chinese Communists in any form.

The Russians look embarrassed when you ask why the area they defend is the only place in North China where no Chinese Communists are organizing. "We don't forbid them," they assure you. "Chinese politics is not our affair."

The Chinese tell you flatly that nobody in Dairen would succeed in starting any party that might involve the city in China's civil war. "We have no Communists, no Kuomintang, no Democratic League. We have our own democratic government. We are neutral in this war."

Nanking, of course, considers the whole Dairen setup as Communist. They blockade it as such, by land and by sea. But it would be hard for an objective observer to find any Communism in the elected administration, whose leaders are prosperous merchants and industrialists.

Take President Chih Tse-hsiang, for instance, the head of the Kwantung Peninsula Government, the highest civilian official in the area. He was first elected mayor of Dairen. Then last April when it was decided to set up a government for the peninsula—after waiting a year for Chiang Kai-shek to send in his appointees—Chih was elected against four other candidates, polling 208 of the 350 "people's representatives."

Prominent Business Man

I went to Port Arthur to see President Chih in his office and learn why he had been chosen. I found a small, dark man of 63, with shrewd eyes, in a western style business suit. Chih had been a merchant in Dairen since he began as a clerk at the age of 18—for 45 years.

For more than 20 years Chih was a director of the Chinese Chamber of Commerce, head of the Cotton and Silk Guild, Chairman of the Association of Department Stores, a director of the Currency Exchange.

He was also known as a philanthropist, having organized the relief for nearly 1,000,000 refugees from the 1927 Shantung Famine, whom he helped settle on the land or in jobs. Then he got a reputation as a patriot during the war, when the Japs three times jailed him for listening to the Chungking radio and broadcasting its news.

When Japan collapsed, Chih was one of the Dairen businessmen who set up a provisional city government at once to keep order and prevent the Japs from destroying the factories. That was several days before the Russians came in. By November of 1945, the trade unions were organized, and a more representative city government was elected by a congress representing all organized associations.

Chih was chosen mayor. "Did any of the trade unionists vote for

you?" I asked him.

"Some of them," he said. "Not all."

"Did the Russians ever try to influence the choice of mayor or president?" I asked him.

"They never speak of it," said Chih. "It's not their affair."

"Do you consider that you have a satisfactory democracy?"

"Of course not," said Chih. "We have only a provisional form. When we get a registration of citizens completed, we shall have a true election."

"Will you have regular parties, Communist and Kuomintang?"

Chih's eyes narrowed as he considered. "I don't know," he said. "Perhaps not, with the international situation the way it is now. We can nominate candidates through our trade and professional associations."

Communist Suspect

I doubt whether Chih ever talked with a Communist. But Chiang's generals will execute him as a Communist, if they ever get power in Dairen. For Chih not only took power without orders from Nanking, but he carried out measures that normally in China only Communists use.

When the Russians turned over all the best residences—from which Japs had been repatriated—to Dairen city, Mayor Chih used them for a slum clearance scheme, by which 16,835 families moved out of leaky slums among the animals into fine new homes.

When the Russians handed over the Jap farms in the Peninsula, this also went to tens of thousands of poor farming families.

Next, the Russians handed over the Jap factories, except those that were Sino-Soviet Corporations, 50 as part of the railroad or port. Mayor Chih sold some of them at a fair price to Chinese capitalists and used the money to expand the city budget. Thus the number of primary schools were doubled and three technical college started, in engineering, electricity and medicine.

For all of which deeds old man Chih and his henchmen will be hanged, drawn and quartered if Chiang's generals lay hands on him. There's been no graft left for Nanking.

Establishment Of Anti-Soviet Regime Seen In S. Korea

HUGH DEANE

(This is the second of a series of articles on the American zone of occupation in Korea by the Review's Japan and Korea correspondent.—EDITOR).

Seoul, (By Mail).

THE suppression of the left, sanctioned by the U.S. command, has prepared the way for the formal establishment of an anti-Soviet, American-buttressed separate government in south Korea—long the goal of ultra-rightist leader Dr. Syngman Rhee.

On August 22nd, a week after large scale arrests and terrorism had driven the south Korean left almost completely underground, Lt. Gen. John R. Hodge, U.S. commander, told the press: "There is no political significance in these arrests."

In reality, the suppression of the left virtually slammed the door in the face of the Soviet delegation to the U.S.-U.S.S.R. Joint Commission, which has been negotiating since May to establish a united provisional government for Korea.

Commission Deadlocked

Since early July, the commission has been deadlocked over the question of consultation. The U.S.S.R. has refused to consult with certain extreme rightist groups unless they withdraw from the Anti-Trusteeship Committee—which since January 1946 has been using every tactic, including violence, in a campaign to kill the four power Moscow Decision of December 1945. In mid-August the United States countered with the *de facto* exclusion from consultation of the south Korean left.

Indications are that a separate government in south Korea will be set up following the expected failure of the current American attempts to solve the Korean problem through a four power conference or UN. Plans for "independent" U.S. political and economic action were drawn up by American policy makers last winter. According to Rhee, Assistant Secretary of State Maj. Gen. John H. Hilldring promised him then that a separate government, to be headed by him, would be formed. U.S. spokesmen and press agencies have referred periodically to the possibility of unilateral action.

Already Formed

Establishment of a separate regime will require only formalities, since the South Korean Interim Government, in which Rhee's faction is safely entrenched, has been given increasing political power. American Military Government officers are now termed "advisors."

A predestined general election will act as midwife to America's embryonic anti-Soviet political baby.

The Rhee led extreme rightists have been demanding a general election with increasing stridency since the first crackdown on the left in the autumn of 1946.

In the early months after liberation, when the leftist People's Republic still held substantial local political power, the U.S. authorities refused to schedule an election, alleging that it would be "premature." Trial elections held by American Military Government in three countries were won overwhelmingly by the left—a factor influencing the American attitude.

A general election held now, conducted by the interim government, boycotted by the underground left, would certainly be a complete victory for the extreme right. According to Rhee, the results will be a "mandate" for a separate government.

The United States no longer regards elections as premature. On August 12, the day after the arrests of leftist leaders began, the rightist South Korean Interim Assembly was urged by Maj. Gen. Archer L. Lerch, former military governor, to pass the pending general election law "as soon as possible"—even if it had to disregard the "minor" criticisms of the draft law made previously by Brig. Gen. Charles G. Helmick, then acting military governor.

The assembly quickly passed the law, disregarding all but one of Helmick's criticisms.

Korean Rightist Covets Soviet Maritime Provinces

PROFESSOR Pyun Young-tai of Korea University, a propagandist for ultrarightist leader Dr. Syngman Rhee, on August 21st made a public statement urging that the USSR's maritime provinces be turned over to Korea—an expression of the grandiose ambitions of the extreme right, America's bedfellow in south Korea.

After disposing of Japan's claims to the maritime provinces, Pyun writes: "America should turn to a people for cooperation through whose veins the love of international peace and order has run for scores of centuries."

He continues: "China may be inclined to regard the maritime provinces as China Irridenta when she has grown strong enough. Peopling those areas with Chinese may only fire their irridentism. China, however, will have no objection to Korea finding an outlet in that direction."

"Such an expansion," Pyun declares, "would only mean elevating Korea to the status of a world buffer state from that of an oriental one.

"This should not be construed as an aggressive design on our part. Our wish is only that, should

the international situation create a vacuum contiguous to us, it be filled with our peace loving people. . . ."

Pyun adds: "It is a Japanese myth that Koreans are incapable of ruling or fighting . . . Doubtless we shall make finer troops than either the Japanese or Chinese."

Such views give some indication of why the Soviet Union is unwilling to consult the Rhee controlled Democratic Party and affiliated groups regarding the formation of a provisional Korean government.

Professor Pyun, considered one of Rhee's top English-language propagandists, is the author of a number of "analyses" of the Korean situation distributed in America by the Rhee appointed Korean Commission, Washington, DC.

On August 16, some of Pyun's relatively mild views were published in the *New York Herald Tribune* in a letter to the editor from Colonel Ben C. Limb, chairman of the Korean Commission. Colonel Limb is a protege of Rhee, who gave him his military title in 1945.

Cases Of Inefficiency, Corruption And Nepotism

C. Y. W. MENG

I. INEFFICIENCY

THE new Chinese Banking Law was promulgated on September 1. But less than a week later, the Department of Civil Affairs of the National Government which is in charge of the promulgation of government mandates, laws and regulations was forced to issue to the whole nation a note of correction of some "copyist errors" in the said Law. Articles as mentioned in Article 69 of the Banking Law should be read "Articles 48 and 49," not Articles 66 and 69 as "erroneously copied."

Similarly, the newly Revised Temporary Regulations Governing Trade and Foreign Trade and the Revised Foreign Trade Regulations were promulgated by the Ministry of Finance on August 17. But less than 10 days later, the Executive Yuan had to issue to the whole nation a note of correction of numerous words which were either "erroneously copied" or "carelessly left out."

The writer of this article happened to be engaged in translating the new Banking Law into English, and he had a hard time reading Article 69. Much of his time was spent in consulting with experts as to its probable and true version. Much guesswork was involved, but none was convincing. For this reason, he had to delay in sending his translation for publication for several days until he read the correction one Sunday morning (September 7).

These cases illustrate well the inefficiency with which our government offices are handling their routine work. Every government office has a "copyist section" which does the copying work. After copying, we understand, every document has to pass to another section for "checking" before going to another section to be affixed with the official seal. Therefore, such a mistake should not occur.

An office such as the Department of Civil Affairs is a high office in the National Government whose every word is authoritative. Every document, not to speak of laws and regulations which bind the people of the nation, is supposed to have been carefully copied and minutely checked before release. It is certainly too ridiculous to have one law or regulation promulgated today, and "corrected" tomorrow, for no other reason than that some words in it were "erroneously copied" or "carelessly left out."

The real trouble, as we see it, is that in government offices rarely do we find hard working young men. Most personnel take things easy. "Dragging" in handling their work is one of the worst habits which has been formed among government employees from the higher ups down to a copyist. A piece of work which could be completed in a day or two is always permitted to last several days. When the date is due, they simply rush to finish the order.

2. CORRUPTION

IN looking into our files, we find cases of corruption happening very frequently nowadays. Let us mention some of them.

1. Liu Kwan-pei, Director of the Northeastern Regional Office of CNRRA (China National Rehabilitation and Relief Administration) was accused of corruption by nine provincial governors and three mayors in Four Northeastern Province (Manchuria).

2. Six high CNRRA officials, including deputy-director C. M. Li, were involved in another scandal. President Chiang Kai-shek is reported to have ordered a secret probe of the case.

3. Liu Chung-jen, an official of the Board for the Temporary Regulation of Imports is already under arrest for allegedly falsifying the date on a bill of lading in order to get cargo past the Customs and accepting a CNC$140,000,000 bribe from Chen Jui-hao, manager of the Paolin Import and Export Company at 330 North Szechuen Road, Shanghai.

4. Another sensational graft case in which some CNC$5,000,000,000 worth of building materials and hardware was reported missing under the very nose of Bank of China. According to a report in *The Shanghai Evening Post and Mercury*, "many officials of the Bank were said to have been involved in the scandal," and "the chief of the general section of the Bank had been removed to a minor post by an order of the Bank's chief."

5. Irregularities involving some officials of the Direct Tax Bureau of the Ministry of Finance in Shanghai have also been reported, and the case is still under investigation.

Besides these, we must mention the "Rice Scandal," "Gold Scandal" and "Take over Scandals." The "Take over Scandals" in Shanghai, particularly, shook all China to its foundations. Exactly *how many* Japanese houses were taken over, and *how* they were distributed is still wrapped in a shroud of mystery even today!

3. NEPOTISM

AMONG many students sailing recently for the United States for advanced study, there were some "privileged" persons on the same boat. We call them "privileged" persons not without reason. First, while many students desiring to study in America had to take the competitive examination during the hot summer days, these "privileged" persons did not. Secondly, while those private students who want to study abroad have to quit their jobs, these "privileged" persons do not.

We know a "son-in-law" of one member of the Kuomintang who has recently sailed for the States for his advanced studies without taking any examination as prescribed by the Ministry of Education. On inquiry, we are simply informed that "he was sent out by the Central Party (Kuomintang) Headquarters."

What is more surprising is that this "son-in-law," by asking another member of the Kuomintang, who is concurrently a high official in the National Government, to write a letter to the chief of the office with which he was connected previously, is allowed to draw full pay during his stay in America!

In sum, by marrying a daughter of a Kuomintang member, one has the special privilege of studying in America without taking the examination, and, at the same time, of receiving payment from the Government as usual.

This case illustrates well not only nepotism and absenteeism in government offices, but also explains why, despite a lot of talk of "retrench-

ment" and "austerity," etc., there is really no retrenchment at all.

Remedies Suggested

WE cite all these cases for two principal reasons. First, in our view, to expose social evils and government inefficiency, corruption and nepotism is the duty of a journalist, while to conceal them is to commit a crime ourselves. Secondly, by exposing them, we believe, more attention will be aroused, and consequently, the nation will demand more remedial actions from the Government.

(1) *Special Anti-Corruption Law:* The first step in this direction, in our view, is for the National Government to make up its mind to wipe out corruption in officialdom by promulgating—and rigidly enforcing—a special "Anti-Corruption Law" which will impose far more severe and heavy punishment on these corrupt officials, with life imprisonment as the starting penalty.

Provisions, as stipulated in our Civil and Criminal Codes, are no longer adequate enough to cope with the "Corruption Wave" now sweeping the whole nation. Since the war, most judicial authorities have found the crime wave is paramount, and laws and regulations incapable of dealing with the situation. In America, they have too many "Cases Dismissed" (See "Case Dismissed" by Virgil W. Peterson in the April, 1945 issue of *The Atlantic Monthly*), and in China, we have too many "Cases to be Re-tried," which after a lapse of time, die down and are closed. Therefore, some judicial remedies must be taken to amend these legal deficiencies.

(2) *Independence of Judicial Yuan, Control Yuan and Examination Yuan:* Secondly, we have to make the Control Yuan *operative*, and *to detach it from all party affiliations.*

In the western countries, the independence of judiciary has aided greatly in the rapid development of the constitutional form of government. In China, we should not only observe this principle, but we must have, in addition, *the independence of the Control Yuan and the Examination Yuan.*

The Control Yuan and Examination Yuan constitute two important branches of the National Government; one is to act as the "Watchdog" of the Government, and the other is to select able persons for government service. The more ferocious this "Watchdog," the fewer will be the corruption cases. The more careful and impartial the selection of talent for government service, the fewer inefficient and corrupt officials.

Inasmuch as our constitution is a 5-power constitution, President Chiang Kai-shek would render a great service to the nation if he could create a happy constitutional precedence by detaching the Judicial Yuan, the Control Yuan and the Examination Yuan from the Kuomintang, and by making them entirely independent and free from all politics from now on.

However, so far, the Control Yuan, we find, has shown up very poorly. It is almost helpless before high government and party officials. It can only bring impeachment against magistrates. The procrastination with which its commissioners are conducting investigations into the irregularities of the Yangtze Development Corporation and Fu Chung Corporation (both are allegedly owned and operated by members of the Kuomintang) has shown glaringly its impotence, and that it is not equal to the task before it. Indeed, unless it is made independent, genuinely non-partisan and the people's organ to watch the behavior of the Government, we can hardly expect it to fulfil the purpose for which it is created.

(3) *A "Truman Committee" for China:* Thirdly, China needs a "Truman Committee." This Commitmittee may be put under the Control Yuan whose slogan should be "Show Me," and whose duty is to wipe out waste and graft in the Government.

We are confident that this "Watchdog," when well organized, will be able to save billions and billions of dollars for the National Treasury, which would be used in productive and useful channels. To stop payments to a "son-in-law" of the Kuomintang member studying in America, for example, will save the Treasury about $3,000,000 a month, or $36,000,000 a year!

The staff of CNRRA are too highly paid. We are told that they are paid several times a month, and even the staff members themselves do now know "what it is." Here again, much of the administrative expenses can be curtailed and redirected for relief purposes.

Had the Control Yuan been in full operation, and had there been a "Truman Committee" in China, such waste and graft in the Government would have been wiped out long ago.

China: Wake Up!

THE time has now definitely come for China to settle down to help and save herself. Inefficiency, corruption and nepotism must go. We are now facing a situation where soberness will save us from much trouble, while "stupid pertinacity" will ruin the career of many a leader, and will not lead the nation anywhere. To indulge in such silly activities as lavishly entertaining American financiers at the Chinese Embassy in Washington, and by continuously sending telegrams to President Truman, Secretary of State George Marshall and other Senators by the various organizations in China with a view to "explaining" ourselves at large expense, will not help us, and will deceive no one but China herself. It is not the word "to explain," but actually an act "to reform ourselves" that counts more to the peoples in the world. China must wake up. This is her *last* chance.

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Want Some World Bank Money?

J. R. KAIM

> We live today in an era which is neither war nor peace, but a suspension of hostilities which can be renewed at any time.—*Maj. Gen. Maxwell D. Taylor, West Point commandant.*

CHINA's interest in what is generally known as the International Fund and World Bank is obvious, particularly in view of the statement of one of the highest executives of this twin-institution recently that this country's rapid reconstruction is essential. Unfortunately, it seems that most war ravaged countries have similar demands, and clamor that the Fund and Bank should lay emphasis on *their* reconstruction. Nations of all types and sizes want money, money and more money.

Hugh Dalton, Britain's Chancellor of the Exchequer, and chairman of the Fund and Bank final London session this month, said that war torn Europe should be the first to receive aid. Several days earlier, Latin American countries had made it clear that they had not paid their shares to this institution without hope of getting returns, while Egypt had explained that the development of her industries and those of her Middle East neighbors was all important. On the other hand, England requires a refund of part of her bank share to help restore her financial equilibrium.

Interests Clash

It is obvious that the 350 delegates representing 45 countries gathered in London held highly divergent ideas as to what the Fund and Bank should consider as their primary duty. Now, until the next session opens in Washington in early 1948, these delegates and the nations they represent have ample time to reconsider their demands and needs.

Originally, the main articles of agreement stated very lucidly that the purpose of the establishment of the International Monetary Fund was: 1) to promote international financial cooperation; 2) to facilitate the expansion and balancing of international trade; 3) to promote exchange stability and eliminate competitive exchange depreciations; 4) to aid the establishment of a multilateral system of payments; 5) to instil confidence in members by making available to them under adequate safeguards the Fund's resources, thus giving them means to correct their balance of payments; and 6) to shorten the duration and lessen the degree of disequilibrium in the international balance of payments.

While the voting system adopted, the methods of borrowing and other practical or impractical methods to be applied have been sharply criticized, it is clear that the basis of the Fund's policy is advancing exchange rate stability. Looking at the international exchange rate picture, one is bound to admit that this goal has been hardly achieved as yet.

Designs Of The Bank

In a companion agreement signed at Bretton Woods, the International Bank for Reconstruction and Development was established. This is generally known as the World Bank and has 45 member countries at present. While the Fund is expected to meet short term requirements of international monetary cooperation, the bank's main aim is to create healthy international credit conditions on the long term investment front. The bank sees to it that credit risks are not borne by individual members, but by the institution as a whole.

Of the authorized capital of US$10,000,000,000, only US$9,100,000,000 have been subscribed by the Bretton Woods participants. The balance will be subscribed by newcomers. The United States subscribed 35 percent, Britain 14.3 percent, the Soviet Union 13.2 percent, China 6.6 percent and France 4.9 percent.

Even considering that one is a great country's first financial minister, one does not call at the Bank's Washington office and simply ask for a loan. This is due to the provision that all of the bank's loans must be made against specific projects of reconstruction or development, or used for the stabilization of the exchange value of a given currency. The loan must always be backed by the written recommendation of a bank's committee before the bank takes any decision.

Difficulty In Terms

Obviously, the greatest difficulty confronting the bank is the expression "reconstruction" and/or "development." War ravaged countries declare that "reconstruction" must have priority; less industrialized nations hold that "development" should be stressed. China is entitled to ask loans from both these angles, and this may be the reason why the Fund's director said recently that China's requests may be more urgent than even those of war ruined Europe.

China, undoubtedly, needs both to reconstruct her industries damaged by the war and to develop them, the latter being at least as important as the claims of the Latin American or Middle East countries.

Meanwhile, Camille Gutt, managing director of the Fund, and John J. McCloy, President of the Bank, following the London session, left Britain on a tour of various European countries to contact governments and financial authorities. They plan to visit Czechoslovakia and Poland and also non-member countries such as Sweden, and Switzerland, but they will not travel to Russia. "It is too far," Mr. McCloy declared at a press conference.

Now, as mentioned above, Russia has subscribed to 13.2 percent of the Bank's capital, and she is a war ravaged country, a co-founder of the twin-institutions and a declared ally. Whether in the current precarious diplomatic situation the decision of the two directors can be considered diplomatic is, therefore, open to question.

International Cooperation

When in Roosevelt's time, the Bretton Woods agreements were set up, the general conviction prevailed that the new financial institutions would not only be instrumental in reconstruction and development but that they would create international economic cooperation. Most of those who gathered at Bretton Woods held the belief that power alone would not suffice in the postwar world—nations would have to aid each other economically. They further thought that a One World scheme was in the making and that the Fund and Bank would present the economic machinery to implement the Four Freedoms. But, as Professor Harold Laski, chairman of the British Labor Party, put it more than a year ago: "We can see the leaders of the great partnership which smashed the Fascist menace in Europe and Asia standing uncertainly before their handiwork."

Economically speaking, it is certainly sheer nonsense to assert that the "admission" of the Soviet Union to the Fund and Bank was from the very start a failure. The two institutions it has been said, are purely "capitalist."

But they certainly are not! They are supposed to be the economic basis of the One World scheme and were designed to reconstruct and develop the economic foundations of all nations, to avoid future wars. The men around Roosevelt who mapped out the original plans were not interested in finance from the standpoint either of capitalism or socialism: all they wanted was to finance and aid the world to return to peace, a real peace.

Whether the men managing these largest monetary organizations apart from being financial experts, are also aware of the fundamental original ideas behind their institutions, we cannot know. But we do know that the Fund and Bank were founded with a view to harmonizing political and financial power with the needs and requirements of a unified world.

The current year's production program has already been completed by more than 600 factories throughout the Soviet Union, *TASS* reported. In addition 140 factories in Moscow, 100 in Leningrad and many others in the Ukraine, Urals, Caucasus, Siberia and the Baltic Republics are nearing completion of their 1947 plans.

Commodities Continue Upward

PRICES of commodities continued to rise during the week under review, while financial quotations remained quiet and steady. Many rumors were circulated to the effect that a loan would soon be negotiated with the United States, which pressed down the quotations of stocks and shares. The money market was not tight, despite the efforts of the authorities to call in fapi notes.

Prices of cotton yarn and cotton cloth as well as raw silk and rayon showed highest gains during the week. Well informed circles attributed this phenomenon to the general demand for cloth during the early winter season. Outport merchants were reported to be the biggest buyers of these goods in the city.

The actual uptrend began on Monday (September 22) when in the afternoon quotations for all stocks and shares rose to the maximum limit permitted for the day. This increase was caused by the report that America would not extend China any loan at the present time and that the Central Bank of China would issue notes in denominations of CNC$20,000 and CNC$50,000. Although strongly denied by officials of the Central Bank, the fact remains that inflation is going on unabated and that the day must come when the authorities will find it necessary to issue notes of bigger denominations.

The price of cotton yarn, cotton cloth, and rayon also rose substantially on September 22. It remains to be seen whether the authorities can check the general firm trend or not. However, it is gratifying to note that the price of rice, which went up to CNC$650,000 per picul, dropped considerably during the past few days, when free transportation of rice was ordered along the Yangtze and guaranteed by the authorities.

The market rate of foreign exchange remained at CNC$42,500 to US$1, despite many rumors to the effect that a realistic rate is favored by Mr. K. P. Chen, chairman of the Foreign Exchange Stabilization Committee, who visited Nanking during the week. In the meantime, businessmen are continuing to ask for a supply of foreign exchange at the official rate for imports of goods included in the quota of the first and second quarter, but little hope is entertained that these requests will be granted.

No decision has been reached regarding the goods already brought here, but as yet not imported because of the lack of import license.

The following table gives the comparative quotations of some of the leading commodities in Shanghai.

	Week Ending Sept. 13 CNC$	Week Ending Sept. 20 CNC$
Bond C	12,000	12,700
Wing On Textile	242	214
Mayar Silk ...	390	384
Ewo Cotton ..	105,000	104,000
Rice	540,000	550,000
Wheat flour ..	128,000	148,000
Peanut Oil ...	1,000,000	1,030,000
20's Yarn	13,800,000	14,600,000
Raw Silk	32,500,000	42,000,000
Rayon	29,900,000	42,300,000
Ruby Queen Cigarette ..	154,000	151,500
Koo Ban soap.	575,000	533,000
My Dear matches	3,450,000	3,420,000
Newsprint ...	510,000	450,000

Sergio Osmena Jr., son of the former President of the Philippines Commonwealth—recently convicted for economic collaboration with the enemy and now out on bail—has decided to run in the forthcoming senatorial elections in November, a *Reuter's* despatch disclosed. "I want to run for Congress," he said, "because I want to vindicate my name. My triumph at the polls will show that the people do not agree with the verdict against me."

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What U.S. Papers Say . . .

REACTION to Dr. Sun Fo's recent statement on China's foreign policy was forthcoming in an editorial in the *New York Herald Tribune*, while other papers commented on the appointment of the U.S. to the mediation committee in Indonesia, and the Marshall and Vishinsky speeches.

• • •

Foreign Policy

IN an editorial entitled "Dr. Sun's Threat," the *New York Herald Tribune* said: "Unless a wave of insanity is sweeping the Government offices in Nanking, there is not much cause for taking seriously Dr. Sun Fo's latest idea. Dr. Sun, who is Vice-President of China, has indicated that the Chinese will ally themselves with the Russians unless the United States comes to their aid in the current economic and political crisis.

"The Chinese are calling, 'Help, save us from the Russian bear!' and Dr. Sun is adding, 'And if you don't we will be so indignant we will let the bear eat us!'

"If Dr. Sun's remarks had been offered by one of the less reputable members of the Kuomintang, it would have been dismissed as an absurd attempt at blackmail. Dr. Sun is well intentioned, however, and it seems difficult to believe that he would be guilty of making a wholly insincere statement for such a purpose. It seems equally hard, on the other hand, to believe that any intelligent Nanking official takes seriously the notion of an alliance with Russia. The Chinese are not stupid in foreign affairs—they have some of the world's most talented diplomats—and they are not ill informed.

"They are too wise to expect the Russians ever to make a deal with the Kuomintang, except as a tactical preliminary to the destruction of the party and the elimination from public life of all its leaders.

"What is really needed in Nanking, of course, is not an alliance with anybody. The most dire need is a renewal of the selfless devotion to China that was displayed in the early years of the war. If this existed in sufficient quantity, the Government soon would be winning popular support—through good treatment of the Chinese people and through increasing honesty and efficiency in government. Under such circumstances, the Government would have less need for foreign aid—but, if it did need assistance, would have far less trouble in obtaining it from the United States than at present. If the Chinese fail to try to save themselves, however, not much can be done for them, no matter how much pressure they may bring on Washington through statements by Dr. Sun Fo or statements by men of greater eminence."

• • •

Indonesia

COMMENTING on the United States' acceptance of its nomination as third member of a committee—the others are Australia and Belgium—to try to bring peace to Indonesia, the *New York Times* said: "Although the committee has a status neither of arbitrator nor mediator, it will begin its labors with, we believe, considerably better chances of success than a single nation would have had. A great deal depends, of course, on the goodwill with which the Republic and the Netherlands Indies Government return to the council table. Nearly two months of warfare must have opened many old wounds. and caused new ones But each has much more to gain by peaceful means than by continued war, and it is hoped that both will recognize this fact. At least it will be easier to place the blame if this effort fails.

"It is unfortunate that there has been so long a delay in getting machinery organized—a delay for which the U.S. Government is reportedly largely responsible. Regardless of American reluctance to accept membership on the Council committee, this was a duty our Government could not consistently refuse, and we are glad to see that initial reluctance finally was overcome. It is to be hoped that now there will be no further delay in getting the machinery in motion. The sooner the cease fire orders are observed in Indonesia, the sooner the Dutch and Republicans again get together, the better is the hope for peace. Delay benefits no one and least of all the committee of good offices," concluded the *Times*.

• • •

Marshall & Vishinsky

U.S. press comment was unanimously in favor of Marshall's speech to the U.N. General Assembly, and just as unanimous in its condemnation of Vishinsky's speech to the same body. The *Washington Post* said: "By far the most important proposal was that the Assembly appoint a special committee to remain constantly in session. In other words, Secretary Marshall wants the Assembly itself to sit side by side with the Security Council so as to act as an appeals board in case the Council dodges any threat to the world's security. There is no other course if the world organization is not to be reduced to nullity. In 20 months there have been 20 Soviet vetos, one of them being on a resolution to keep a UN border commission in Greece, where aggression had been proved by the U.N.'s own commission.

"Vishinsky on Thursday, insisted that the assembly had no power to set up a standing committee of the kind proposed by Marshall. He is not supported in the slightest by the Charter, which gives the Assembly broad powers of discussion, though it would not allow any recommendations in the event that the Security Council was dealing with a dispute."

Who's Who in China

DR. FONG SHAN-KWEI, economist and financier; born at Chenghai, Cheking in 1914; educated in China and United States; B.A., (awarded Sandburg Prize, 1936), National Chiao-tung Uni-

Dr. Fong Shan-kwei

（方善桂）

versity, Shanghai; M.A., 1938, and Ph.D., 1941, Harvard University, U.S.A.; elected member of Conference on Research on Income and Wealth, National Bureau of Economic Research, New York, 1944; served as a research economist, Financial and Transit Department of League of Nations, 1941-46; official observer from League of Nations to Ninth Conference of Institute of Pacific Relation, Hot Springs, Virginia, 1945; technical expert, Chinese Delegation to First Session of Conference of Food and Agriculture of United Nations, Quebec, Canada, 1945; technical associate to Chinese Representative at Second Session of United Nations Economic and Social Council, N.Y., 1946; Chinese member of Fiscal Commission, United Nations Economic and Social Council, 1947; assistant chief controller, Central Bank of China, 1946; member and secretary, Eggs and Egg Products Sub-Committee, Board for Development of Exports, 1947; member of Committee of Exportation of Textile Products, Central Bank of China, 1947; assistant director, Economic Research Department, Central Bank of China, 1947; member of Nassau Club, Princeton, N.J.; American University Men, Harvard Alumni Association and Sino-British Cultural Association, Shanghai; author of: Business Cycles and the Balance of Payments; An Application of Period Analysis to International Money Mechanism (Doctorial Dessertation, 1941) and a number of draft memoranda on international currency problems prepared for publication by League of Nations; co-author—(with Prof. Ta-chung Liu) of Section 11 of Construction of National Income Tables and International Comparison of National Income, in Studies in Income and Wealth, Vol. VIII, National Bureau of Economic Research, New York, 1946; address: Central Bank of China, 24 The Bund, Shanghai.

The rumor that big denomination banknotes of CNC$20,000 and CNC$50,000 would be issued by the Central Bank of China has been denied by a responsible officer of the Bank, said the *Sin Wan Pao*.

What Chinese Papers Say

LAST week the Chinese press devoted considerable space to comments on world foreign relations. The *Ta Kung Pao* discussed U.S.-U.S.S.R. relations in the U.N. General Assembly. Foreign Minister Wang Shih-chieh's statement on China and the veto was also discussed, as was the 16th anniversary of the Mukden Incident, and Dr. Sun Fo's foreign policy statement.

* * *

U.S.–Soviet Relations

THE conflict between the U.S. and the U.S.S.R. is the most important factor in current international relations, stated the *Ta Kung Pao*. "Therefore, in order to salvage the U.N. we must first try to ease the tension between these two countries. We feel that the best way of doing this at the present time would be for the United States and Soviet Russia to negotiate a pact, something like a treaty of friendship and non-aggression, to definitely announce to the world where they feel their respective security boundary lines should be, and to solemnly declare that they have abandoned any thought of expansion."

The paper believed that if such a treaty could be drawn up compelling both parties to withdraw from areas which are known at present as "political vacuums," the U.N. might have a very good chance of being saved. "In this way, the tension between the two countries could be greatly eased, but we are afraid that even then, their mutual suspicion and mutual fear could not be fundamentally done away with. In order to remove such suspicion and fear, it would be best if the United States and Soviet Russia could conclude a political armistice pact, whereby the two nations would undertake not to influence or to interfere with the internal politics of the weaker nations by political or other means or pressure.

"If such an understanding can be reached between the United States and Soviet Russia, it will be easy to conclude the German and Japanese peace treaties. We hope that in connection with the writing of these treaties the United States and Soviet Russia will not forget the flames of fascist aggression of the past and the underlying aggressive ideologies. In order to prevent the revival of fascist aggression, neither Germany nor Japan should be given aid in connection with their rehabilitation program," said the *Ta Kung Pao*.

* * *

China & The Veto

WHEN interviewed in New York last week, Foreign Minister Wang Shih-chieh announced that China intends to decline the United States invitation to attend the proposed 11-nation preliminary conference on the Japanese peace treaty, because the Big Four veto will be dispensed with at this conference. A compromise would be suggested by China demanding that the question of the Japanese peace treaty be referred to the 11-nation Far Eastern Commission for discussion, as the Commission is a permanent machinery wherein the Big Four unanimity procedure or veto is provided. "This is the right course, and although it is somewhat different from the Potsdam Declaration provision that the Japanese peace treaty should be discussed by the Foreign Minister's Council, yet it is possible that it may be accepted by Soviet Russia. Moreover, it would not undermine China's fundamental rights. Therefore, we are in favor of this proposal," said the *Ta Kung Pao*.

The same announcement was applauded by the *Ho Ping Jih Pao*, (local KMT Army and Youth Corps Organ) for different reasons. "The Korea problem remains unsolved and has, as a matter of fact, become the main cause of U.S.-Soviet conflict in the Far East, and there is no denying the fact that it may endanger peace in the Far East and the world as a whole," this paper said. "Therefore.....Foreign Minister Wang Shih-Chieh reaffirmed this country's stand both at the U.N. General Assembly and at a press conference. He further stated that China favors the United States proposal, so that the Assembly may discuss the possibility of helping Korea to attain her independence as soon as possible. From this it can be seen that the General Assembly can no longer look on without doing anything regarding the Korea situation which is an object of dispute between the United States and Soviet Russia, and since the United States is now willing to refer this problem to the General Assembly for discussion, Soviet Russia certainly has no ground, either moral or legal, for opposing this proposal."

* * *

Mukden Incident

THE *Ta Kung Pao* draws a comparison between the relations between China and Japan at the time of the Mukden Incident of September 18, 1931, and those today. "We had an opportunity to do away with the conflict between China and Japan by making rapid progress and by completing the task of building a modernized China before the recovery of Japanese imperialism. This is the only condition under which we shall be able to resist Japanese aggression in the future...

"Superficially China has won the war and Japan has been defeated, but, in reality, the present relations between the two countries are still somewhat like those obtaining around the time of the Mukden Incident of September 18, 1931. We have no assurance whatsoever that another "Mukden Incident" will not take place in the future, for not only is the present Japanese economic system what it was, but the Japanese administrative system still keeps intact the machinery for aggression.

"The anniversary of the 'Mukden Incident' is not very fresh in people's memories. But if we look deeper, we shall find that the history of Sino-Japanese relations will soon return to where it was around the time of the Incident, for the fundamental conflict between the two nations has not yet been done away with.....If we do not develop our country industrially and complete our national reconstruction work, while Japan is permitted to maintain and develop the industrial level which she maintained during the period 1930-34, then it is possible that there will be a recurrence of the 'Mukden Incident,'" warned the *Ta Kung Pao*.

The following day, another editorial appeared in the same paper pointing out that the only indication in Shanghai that the 16th Anniversary of the "Mukden Incident" was remembered were slogans posted in the windows of several department stores which read: "Boycott Japanese goods, buy and use native products," "In commemorating the 'September 18' incident, we should oppose the reopening of trade with Japan."

"A meeting was held by the Federation of the Chinese Native Product Manufacturers in the city to discuss the problem of the peace treaty with Japan, but very few people attended it. These two events indicate that it is the Chinese industrial and commercial circles which are most sensitive to the menace of Japan," said the *Ta Kung Pao*.

* * *

Sun Fo Interview

THE *Chung Hwa Shih Pao* (Organ of the Young China Party) believed that Dr. Sun Fo's statement on China's foreign policy was of particular importance, as Dr. Sun is Vice-President of the Central Government, and therefore his views represent the views of the Government. "The fact that Dr. Sun has made such a statement obviously indicates that the Government is dissatisfied with Wedemeyer's farewell statement, and that it is afraid that the report which Wedemeyer is going to submit to President Truman may have an unfavorable effect upon U.S. policy towards China.

"Dr. Sun frankly stated that China will reconsider her foreign policy in the light of the results which Wedemeyer's report may produce, which means that China may become less friendly to the United States and more friendly to Soviet Russia than she is now. This can be regarded as a kind of coercion designed to force the United States to clarify her attitude and to give positive and speedy aid to China. We do not want to predict how the U.S. is going to react to this statement. However, so far as China's own interests are concerned, there are conflicts and difficulties which it is impossible for her to overcome, a fact which is too clear to need any explanation."

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WHEELOCK BLDG. SHANGHAI

NANKING-SHANGHAI LINE
TIME TABLE

72	4	76	6	8	78	2	10	12	16	TRAIN NO.	1	5	15	7	71	3	9	11	75	77
"Tai Hu" Express	I, II Triumph Exp.	II, III Local	I, II III Exp.	I, II Exp.	II, III Local Exp.	I, II Nanking Throu. Exp.	I, II III Night Exp.	I, II Night Exp.	I, II III Night Exp.	STATIONS	I, II Hangchow Throu. Exp.	I, II III Exp.	I, II III Exp.	I, II Exp.	"Tai Hu" Express	I, II Triumph Exp.	I, II III Night Exp.	I, II Night Exp.	II, III Local	II, III Local Exp.
8.30	7.00	7.30	9.00	11.00	12.15	13.30	21.50	23.00	23.30	D SHANGHAI NORTH A	14.45	16.25	18.25	19.35	22.20	22.45	6.35	8.00	10.25	17.10
		8.55	10.16	12.14	13.48		23.27		0.56	D KUNSHAN D		15.24	17.09	18.22			5.28		8.34	16.05
10.13	8.41	9.42	10.57	12.57	14.29	15.17	0.20	1.06	1.43	A D SOOCHOW D	13.06	14.33	16.23	17.36	20.31	21.06	4.39	5.39	7.10	15.19
10.18	8.48	9.49	11.08	13.04	14.36	15.26	0.27	1.13	1.55	A SOOCHOW A	12.59	14.19	16.17	17.23		20.58	4.32	5.19	7.04	15.09
11.10	9.36	10.45	11.57	13.55	15.35	16.14	1.22	2.08	2.50	A D WUSIH D	12.11	13.24	15.14	16.29	19.35	20.10	3.39	4.26	6.00	14.10
	9.42		12.06	14.02		16.23	1.29	2.15	3.00	D WUSIH A	12.04	13.18	15.08	16.21		20.03	3.33	4.19		
	10.31		12.59	15.03		17.09	2.27	3.13	4.05	A D CHANGCHOW D	11.17	12.22	14.05	15.20		19.16	2.35	3.30		
	10.40		13.08	15.15		17.19	2.37	3.25	4.13	D CHANGCHOW A	11.06	12.09	13.55	15.08		19.06	2.24	3.20		
	11.38		14.00	16.13			3.56	4.29	5.16	A D TANYANG D		11.09	12.41	14.05		18.12	1.07	2.03		
	11.41		14.03	16.17			4.00	4.33	5.20	D TANYANG A		11.05	12.37	13.55		18.03	1.02	2.00		
	12.18		14.40	17.01		18.46	4.46	5.18	6.02	A CHINKIANG D	9.32	10.28	11.44	13.07		17.23	0.09	1.07		
	12.25		14.45	17.17		18.53	4.55	5.27	6.09	D WEST A	9.24	10.21	11.38	12.59		17.15	23.56	1.00		
	13.55		16.10	18.50		20.20	6.30	7.15	7.50	A NANKING D	8.00	9.00	10.00	11.00		15.45	22.00	23.00		

FARE LIST

STATIONS	Kilo.	I Class Ordinary Express		II Class Ordinary Express		III Class Ordinary Express		"Triumph" Express, Nanking & Hangchow Through Expresses I	"Triumph" Express, Nanking & Hangchow Through Expresses II	"Tai Hu" Express
SHANGHAI N. TO:-										
KUNSHAN	52	16,000.	24,000.	8,000.	12,000.	4,000.	6,000.			
SOOCHOW	87	24,000.	32,000.	12,000.	16,000.	6,000.	8,000.	78,000.	46,000.	78,000.
WUSIH	129	40,000.	48,000.	20,000.	24,000.	10,000.	12,000.	78,000.	46,000.	86,000.
CHANGCHOW	168	48,000.	64,000.	24,000.	32,000.	12,000.	16,000.	78,000.	46,000.	
TANYANG	213	64,000.	80,000.	32,000.	40,000.	16,000.	20,000.	96,000.	56,000.	
CHINKIANG WEST	243	72,000.	88,000.	36,000.	44,000.	18,000.	22,000.	106,000.	62,000.	
NANKING	312	72,000.	88,000.	36,000.	44,000.	18,000.	22,000.	106,000.	62,000.	

SHANGHAI-HANGCHOW LINE
TIME TABLE

23	21	61	67	25	1	41	27	TRAIN NO.	24	42	2	68	126	22	62	28
I, II III Exp.	West Lake Exp.	II, III Ord.	IV Mixed	I, II III Exp.	I, II H'chow Throu. Exp.	II, III Ord.	I, II III Exp.	STATIONS	I, II III Exp.	II, III Ord.	I, II N'king Throu. Exp.	IV Mixed	I, II III Exp.	West Lake Exp.	II, III IV Ord.	I, II III Exp.
6.45	8.00	8.15		11.30	16.00	16.15	22.45	D SHANGHAI NORTH A	9.15	12.15	12.35		18.55	20.05	22.30	23.36
7.05	8.16	8.36	9.00	11.53	16.19	16.36	23.06	D SHANGHAI WEST D	8.58	11.55	12.20	17.20	18.37	19.49	22.13	23.12
7.49		9.46	10.29	12.38	17.03	17.46	23.50	A D SUNGKIANG D	7.51	10.44	11.26	15.29	17.48		21.00	22.16
7.54		9.56	10.40	12.43	17.08	17.51	23.55	D SUNGKIANG A	7.47	10.38	11.21	15.22	17.39		20.54	22.11
9.02	10.02	11.40	12.50	13.50	18.16	19.23	1.06	A D KASHING D	6.35	9.04	10.13	13.10	16.20	17.54	19.25	21.00
9.16	10.08	11.50	13.15	13.58	18.26	19.33	1.16	D KASHING A	6.28	8.55	10.04	12.45	16.11	17.47	19.12	20.50
10.00		12.33	14.52	14.32	19.01	20.16	1.50	D YEHZAH D	5.56	8.14	9.31	11.53	15.39		18.29	20.18
10.31		13.18	15.56	15.04	19.32	21.01	2.21	A D CHANGAN- D	5.23	7.27	8.58	10.40	15.06		17.42	19.34
10.36		13.26	16.10	15.11	19.37	21.06	2.26	D TSENG A	5.19	7.22	8.54	10.27	15.02		17.37	19.27
11.30	11.55	14.45	18.10	16.20	20.30	22.20	3.25	A HANGCHOW D	4.25	6.10	8.00	8.30	14.00	16.00	16.25	18.25

FARE LIST

STATIONS	Kilo.	I Class Ordinary Express		II Class Ordinary Express		III Class Ordinary Express		"Triumph" Express, Nanking & Hangchow Through Expresses I	"Triumph" Express, Nanking & Hangchow Through Expresses II	"West Lake" Express
SHANGHAI N. TO:-										
SUNGKIANG	45	16,000.	24,000.	8,000.	12,000.	4,000.	6,000.	78,000.	46,000.	
KASHING	99	32,000.	40,000.	16,000.	20,000.	8,000.	10,000.	78,000.	46,000.	78,000.
YEHZAH	126	40,000.	48,000.	20,000.	24,000.	10,000.	12,000.	78,000.	46,000.	
CHANGANTSENG	151	48,000.	64,000.	24,000.	32,000.	12,000.	16,000.	78,000.	46,000.	
HANGCHOW	190	48,000.	64,000.	24,000.	32,000.	12,000.	16,000.	78,000.	46,000.	86,000.

NANKING-SHANGHAI RAILWAY SYSTEM ADMINISTRATION

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